

County of
Newaygo,
Michigan



Year Ended
September 30,
2019

Financial
Statements

COUNTY OF NEWAYGO, MICHIGAN

Table of Contents

	<u>Page</u>
Elected Officials	1
Independent Auditors' Report	3
Management's Discussion and Analysis	7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	24
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet - Governmental Funds	28
Reconciliation of Fund Balances for Governmental Funds to Net Position of Governmental Activities	29
Statement of Revenues, Expenditures and Change in Fund Balances - Governmental Funds	30
Reconciliation of Net Change in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	31
Statement of Revenues, Expenditures and Change in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual: General Fund	32
Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual: County Jail	36
Commission on Aging	37
Statement of Net Position - Proprietary Funds	38
Statement of Revenues, Expenses and Change in Fund Net Position - Proprietary Funds	40
Statement of Cash Flows - Proprietary Funds	42
Statement of Fiduciary Assets and Liabilities	46
Combining Statement of Net Position - Discretely Presented Component Units	48
Combining Statement of Activities - Discretely Presented Component Units	50
Notes to Financial Statements	53
Required Supplementary Information	
MERS Agent Multiple-Employer Defined Benefit Pension Plan:	
Schedule of Changes in the County's Net Pension Liability and Related Ratios	94
Schedule of the Net Pension Liability	95
Schedule of Contributions	96
Single-Employer Other Postemployment Benefits Plan:	
Schedule of Changes in the County's Net OPEB Liability and Related Ratios	97
Schedule of the Net OPEB Liability	98
Schedule of Investment Returns	99

COUNTY OF NEWAYGO, MICHIGAN

Table of Contents

	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules	
General Fund:	
Combining Schedule of Balance Sheet Accounts By Activity	104
Combining Schedule of Revenues, Expenditures and Change in Fund Balances by Activity	106
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual by Activity	108
Nonmajor Governmental Funds:	
Combining Balance Sheet	114
Combining Statement of Revenues, Expenditures and Change in Fund Balances	115
Combining Balance Sheet - Nonmajor Special Revenue Funds	116
Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Special Revenue Funds	120
Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds	124
Combining Balance Sheet - Nonmajor Debt Service Funds	138
Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Debt Service Funds	139
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	142
Combining Statement of Revenues, Expenses and Change in Fund Net Position	144
Combining Statement of Cash Flows	146
Internal Service Funds:	
Combining Statement of Net Position	152
Combining Statement of Revenues, Expenses and Change in Fund Net Position	156
Combining Statement of Cash Flows	160
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities	170
Combining Statement of Changes in Fiduciary Assets and Liabilities	172

COUNTY OF NEWAYGO, MICHIGAN

Table of Contents

	<u>Page</u>
Component Units:	
Drain Commissioner:	
Combining Balance Sheet	176
Reconciliation of Fund Balances for Governmental Funds to Net Position of Governmental Activities	179
Combining Statement of Revenues, Expenditures and Change in Fund Balance	180
Reconciliation of Net Change in Fund Balance of Governmental Funds to Change in Net Position of Governmental Activities	183
Brownfield Redevelopment Authority:	
Balance Sheet/Statement of Net Position	184
Statement of Revenues, Expenditures and Change in Fund Balance/ Statement of Activities	185

COUNTY OF NEWAYGO, MICHIGAN

ELECTED OFFICIALS

For the Year Ended September 30, 2019

BOARD OF COMMISSIONERS

Burton Cooper, District 1
Bryan Kolk, District 2
D. Charles Trapp, District 3

James Maike, Jr., District 4
Kenneth DeLaat, District 5
Brenda Bird, District 6
Michael Kruithoff, District 7

COUNTY OFFICIALS

Jason Vanderstelt, Clerk
Holly Moon, Treasurer
Vacant, Surveyor
Dale E. Twing, Drain Commissioner

Ellsworth J. Stay, Jr., Prosecuting Attorney
Stewart K. Sanders, Register of Deeds
Robert W. Mendham, Sheriff

DISTRICT COURT JUDGE

H. Kevin Drake

CIRCUIT COURT JUDGE

Robert D. Springstead

PROBATE COURT JUDGE

Melissa K. Dykman

This page intentionally left blank.

INDEPENDENT AUDITORS' REPORT

March 17, 2020

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Newaygo, Michigan* (the "County"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Newaygo County Road Commission or the Newaygo Medical Care Facility, discretely presented component units, which represent the indicated percentages of total aggregate discretely presented component units assets and deferred outflows, net position, and revenues:

	Percent of Total Assets and Deferred Outflows	Percent of Total Net Position	Percent of Total Revenues
Newaygo County Road Commission	72.1%	72.7%	53.5%
Newaygo Medical Care Facility	20.3%	23.1%	41.3%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Newaygo County Road Commission and the Newaygo Medical Care Facility, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Newaygo Medical Care Facility were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Newaygo, Michigan, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Newaygo, Michigan's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2020, on our consideration of the County of Newaygo, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 of Newaygo, Michigan's internal control over financial reporting and compliance.

Rehmann Johnson LLC

This page intentionally left blank.

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

As management of the *County of Newaygo, Michigan* (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2019.

Financial Highlights

1. The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the 2019 fiscal year by \$41,046,379 (*net position*). Of this amount, \$29,481,337 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
2. When utilizing the Non-GAAP Budgetary Basis, at the end of the 2019 fiscal year, fund balance for the general fund was \$4,972,741 or 34.7% of expenditures (including transfers out). The following table provides historical information on fund balance of the general fund and the amount as a percentage of that fiscal year's expenditures and transfers out:

Fiscal Year	Fund Balance	% of Exp. and Trans. Out
2019	\$ 4,972,741	34.7% <i>(see "Highlights of FY 2020 Budget" for information on planned use of fund balance)</i>
2018	4,360,039	32.3%
2017	3,835,286	28.4%
2016	3,771,163	29.3%
2015	3,560,401	26.5%

3. The general fund for 2019 increased fund balance by \$612,702 applying the Non-GAAP Budgetary Basis and \$600,082 according to the GAAP Basis.
4. Within the general fund, fund balance is classified as follows: \$332,140 nonspendable, \$97,627 restricted, \$57,855 committed, and \$341,381 assigned. The remaining \$4,143,738 is available as unassigned fund balance (Non-GAAP Budgetary Basis). Unassigned fund balance as a percentage of expenditures and transfers out was 28.9%.
5. At the end of the 2019 fiscal year, fund balance for the general fund according to the GAAP Basis was \$4,253,773. Of this amount \$3,424,770 is available as unassigned fund balance. Unassigned fund balance as a percentage of expenditures and transfers out was 23.9%.
6. As of the close of the 2019 fiscal year, the County's governmental funds reported combined ending fund balances of \$12,303,065. This amount is a \$1,483,649 increase over the previous year. \$9,218,002 or 74.9% of the total is available for spending at the government's discretion (committed, assigned, and unassigned).
7. The audit classifies property taxes that have been billed but remain uncollected as of 60 days subsequent to year-end as deferred inflows of resources. Therefore, a budgetary/accounting basis reconciliation has been included for clarification in the notes to the financial statements.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Overview of the Financial Statements

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

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

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

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

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

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

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

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

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

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

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the 2016 and prior delinquent tax fund, 2018 delinquent tax fund, sanitary sewer construction fund, and P.A. 123 fund which are considered to be major funds of the County. The County's internal service funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Funds column.

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

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

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

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Government-wide Financial Analysis

As previously stated, net position may serve over time as a useful indicator of a government's financial position. In the case of Newaygo County, assets and deferred outflows exceeded liabilities and deferred inflows by \$41,046,379 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 19,574,605	\$17,458,241	\$20,302,654	\$20,068,741	\$ 39,877,259	\$37,526,982
Capital assets, net	16,014,933	16,851,856	5,766	7,335	16,020,699	16,859,191
Total assets	35,589,538	34,310,097	20,308,420	20,076,076	55,897,958	54,386,173
Deferred outflows of resources	2,252,384	922,324	25,843	35,845	2,278,227	958,169
Liabilities						
Long-term debt	8,007,710	9,091,528	1,327,648	1,754,957	9,335,358	10,846,485
Other liabilities	7,636,890	6,439,482	157,558	146,973	7,794,448	6,586,455
Total liabilities	15,644,600	15,531,010	1,485,206	1,901,930	17,129,806	17,432,940
Deferred inflows of resources	-	319,463	-	-	-	319,463
Net position						
Net investment in capital assets	8,548,645	8,319,237	5,766	7,335	8,554,411	8,326,572
Restricted	2,630,071	2,314,441	380,560	410,339	3,010,631	2,724,780
Unrestricted	11,018,606	8,748,270	18,462,731	17,792,317	29,481,337	26,540,587
Total net position	\$ 22,197,322	\$19,381,948	\$18,849,057	\$18,209,991	\$ 41,046,379	\$37,591,939

A portion of the County's net position of \$8,554,411 (20.9%) represents its investment in capital assets (e.g., land, buildings, vehicles and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position of \$3,010,631 (7.3%) represents resources that are subject to external restrictions on how they can be used. The remaining balance of unrestricted net position (\$29,481,337 or 71.8%) may be used to meet the County's ongoing obligations to citizens and creditors.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 9,337,565	\$ 8,850,175	\$ 1,848,915	\$ 1,528,673	\$ 11,186,480	\$10,378,848
Operating grants	4,611,858	4,861,191	442,341	133,357	5,054,199	4,994,548
Capital grants	2,564	10,418	-	-	2,564	10,418
General revenues:						
Property taxes	11,564,683	11,091,183	-	-	11,564,683	11,091,183
Unrestricted grants	1,472,272	1,547,736	-	-	1,472,272	1,547,736
Unrestricted investment earnings	251,133	122,910	-	-	251,133	122,910
Gain on sale of capital assets	-	32,375	-	-	-	32,375
Total revenues	27,240,075	26,515,988	2,291,256	1,662,030	29,531,331	28,178,018
Expenses						
General government	5,853,255	4,454,580	-	-	5,853,255	4,454,580
Public safety	9,280,209	8,944,667	-	-	9,280,209	8,944,667
Public works	283,273	196,056	-	-	283,273	196,056
Health and welfare	4,807,657	4,609,270	-	-	4,807,657	4,609,270
Recreation and cultural	673,345	619,511	-	-	673,345	619,511
Legislative	329,488	307,935	-	-	329,488	307,935
Judicial	3,920,463	3,497,410	-	-	3,920,463	3,497,410
Community and economic development	204,323	126,781	-	-	204,323	126,781
Interest on long-term debt	246,733	272,371	-	-	246,733	272,371
Delinquent tax admin	-	-	274,486	250,717	274,486	250,717
Public works projects	-	-	33,554	55,842	33,554	55,842
Jail commissary	-	-	104,728	83,555	104,728	83,555
Building authority	-	-	65,377	71,000	65,377	71,000
Total expenses	25,598,746	23,028,581	478,145	461,114	26,076,891	23,489,695
Change in net position, before transfers	1,641,329	3,487,407	1,813,111	1,200,916	3,454,440	4,688,323
Transfers	1,174,045	536,446	(1,174,045)	(536,446)	-	-
Change in net position	2,815,374	4,023,853	639,066	664,470	3,454,440	4,688,323
Net position:						
Beginning of year	19,381,948	15,358,095	18,209,991	17,545,521	37,591,939	32,903,616
End of year	<u>\$ 22,197,322</u>	<u>\$19,381,948</u>	<u>\$18,849,057</u>	<u>\$18,209,991</u>	<u>\$ 41,046,379</u>	<u>\$37,591,939</u>

The County's net position increased by \$3,454,440 during the last fiscal year.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Governmental Activities. Governmental activities increased the County's net position by \$2,815,374. This was primarily the result of increased revenues for charges for services and property taxes combined with reduced expenditures for the 2019 fiscal year across most functions.

Revenues (Statement of Activities) - Revenues increased by \$724,087 or 2.7% in 2019 from the prior year. There are several revenue sources with variances as follows:

Charges for services. Program charges for services increased by \$487,390 or 5.5%.

Operating grants and contributions. Program grant revenue decreased by \$249,333 or 5.1%.

Capital grants and contributions. Program capital grants and contributions decreased by \$7,854 or 75.4%.

Property taxes. Property taxes increased by \$473,500 or 4.3%. The primary factors for the increase are: 1) taxable values experienced a 3.7% rise in 2019; and 2) the general fund received better than estimated 2018 property tax revenues.

Unrestricted grants and contributions. Unrestricted grants and contributions decreased \$75,464 or 4.9%. A main factor involved with this decrease is related to changes in the Local Community Stabilization Act and the calculation of personal property tax reimbursements.

Unrestricted investment earnings. Unrestricted investment earnings increased \$128,223 or 104.3%.

Expenses for Governmental Activities (Statement of Activities)

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

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

General government. General government activities include expenses related to support departments of the County such as administration, clerk, treasurer, register of deeds, equalization, prosecuting attorney, drain commission/soil erosion, finance, and payroll.

Public safety. Public safety activities include expenses related to the sheriff's office and road patrol, animal control, county jail, emergency services, and building safety and permits. The increase in public safety expenses in comparison to the prior year is a result of the change in the net pension liability and related deferred amounts.

Public works. Public works activities include expenses related to the board of public works and the county drain tax at large.

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

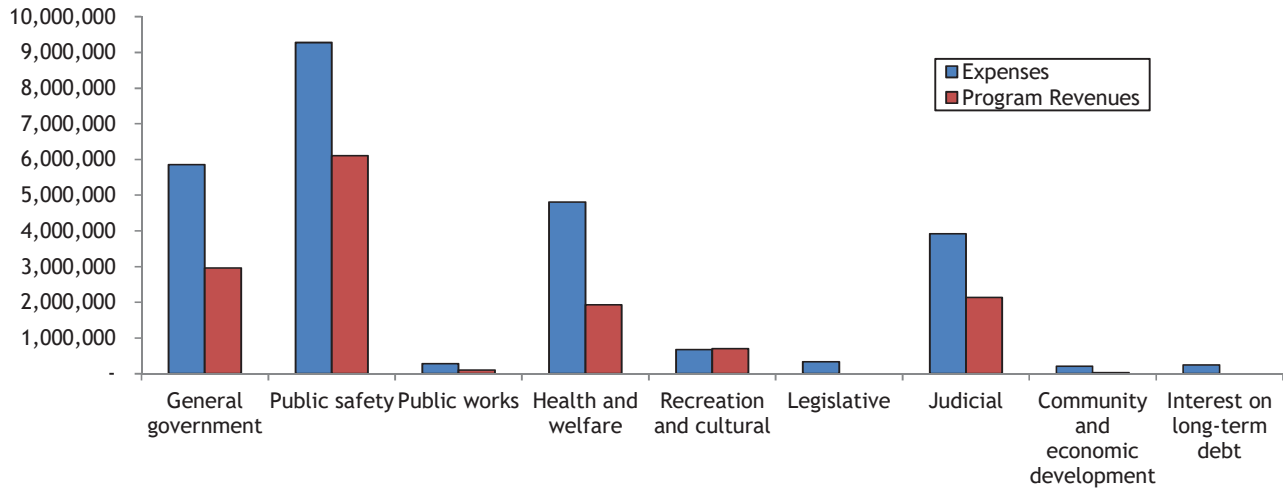
Recreation and cultural. Recreation and cultural activities include expenses related to the County parks system.

Community and economic development. Community and economic development activities include expenses related to land use educator services and community development programs.

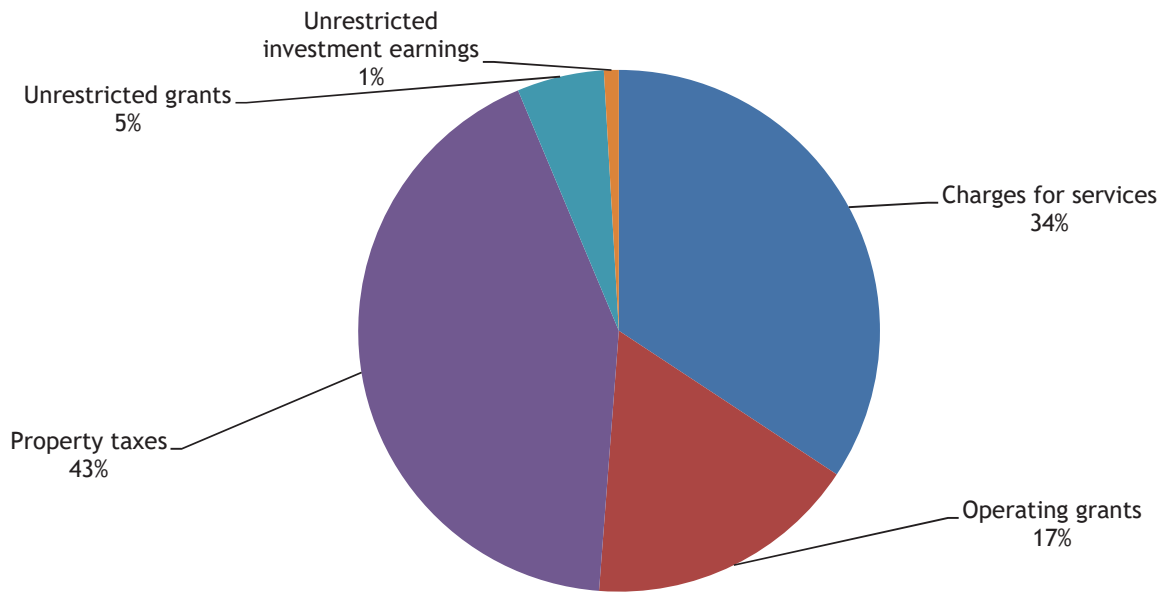
COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



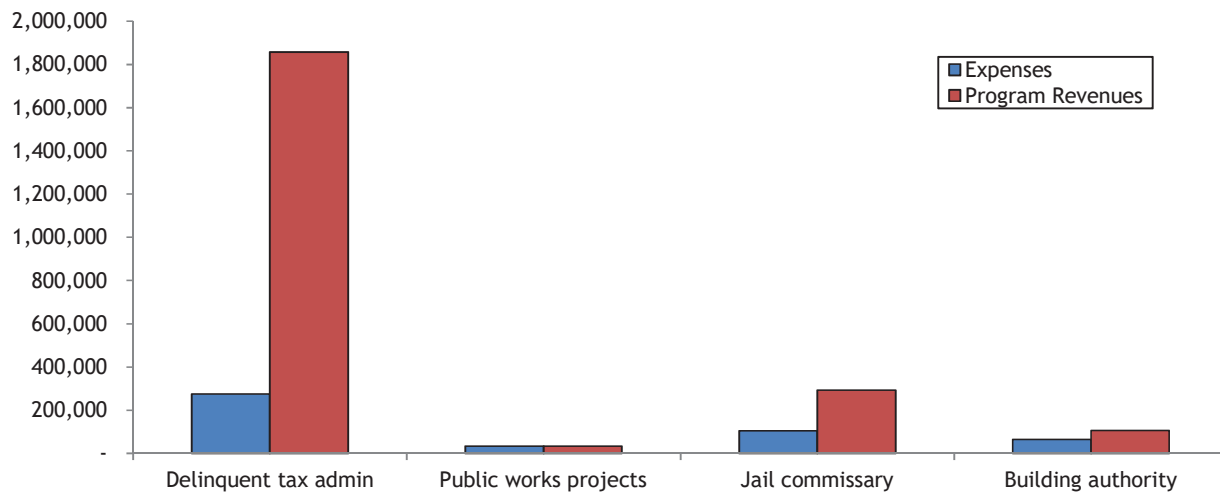
Business-type Activities. Business type activities increased the County's net position by \$639,066. The key revenues for the business type activities are penalties and interest on delinquent taxes, proceeds from tax sales, and investment income. The primary reason for the increase in net position is expenses related to delinquent taxes were minimal.

Business-type activities are classified as enterprise funds which include delinquent taxes, P.A. 123 activities, principal residence exemption audits, operations of the jail commissary, and general obligation bonds which are offset by capital leases receivable.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Expenses and Program Revenues - Business-type Activities



Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide detailed information about the most significant funds, not the County as a whole. The County uses funds to help manage money for specific purposes as well as to show accountability for certain activities such as a special property tax millage or grant funded programs. The County's major funds for 2019 include the General Fund, County Jail, Commission on Aging, Delinquent Tax Administration, P.A. 123 Funds, and Sanitary Sewer Construction Debt Service.

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

The County General fund is the chief operating fund of the County. When utilizing the GAAP Basis, at the end of the 2019 fiscal year, the County's ending fund balance for the general fund was \$4,253,773. Of that amount \$332,140 is nonspendable, \$97,627 is restricted, \$57,855 is committed, \$341,381 is assigned, and \$3,424,770 is unassigned.

The County jail fund increased its fund balance by \$70,671 from \$70,549 at the beginning of the year to an ending balance of \$141,220. Of that amount \$39,359 is nonspendable, \$12,729 is restricted, and \$89,132 is committed.

The Commission on aging fund increased its fund balance by \$473,034 from \$699,906 at the beginning of the year to an ending balance of \$1,172,940. Of that amount \$257,588 is restricted and \$915,352 is assigned.

Nonmajor governmental funds increased their collective fund balances by \$339,862 from \$6,395,270 at the beginning of the year to an ending balance of \$6,735,132. Of that amount \$23,650 is nonspendable, \$2,321,970 is restricted, \$2,712,217 is committed, and \$1,677,295 is assigned.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

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

Charges for services. Charges for services in the governmental funds totaled \$8,828,770. The amount was generated by general fund charges of \$2,357,120, county jail fund charges of \$3,137,209, commission on aging charges of \$204,385, and nonmajor fund charges of \$3,130,056. The total reflected an overall increase of \$524,336 from the previous year. The overall increase is related mainly to additional revenue of \$519,492 generated from the housing of federal inmates over the 140 contractual inmate count along with an increase in the federal inmate per diem rate from \$63.37 per day to \$75.00 per day.

Property taxes. Property taxes totaled \$11,552,063. This amount marked an increase of \$411,678 from the prior year. On a GAAP Basis, property taxes for the general fund increased just over 3.8% or \$297,839. This was primarily due to 2019 taxable value growth of 3.7% and interest collected on 2018 property taxes.

Investment earnings and rentals. Investment earnings and rentals totaled \$388,462. The general fund totaled \$341,865. This amount was an increase over the prior year. Historical information on interest earnings and rentals of the general fund is presented in the following table:

Fiscal Year	Investment Earnings and Rentals
2019	\$ 341,865
2018	223,943
2017	175,448
2016	184,669
2015	190,293

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

General government. General government expenditures were \$5,349,600. The general government category equated to approximately 20.1% of the total expenditures. Overall, this total was a 29.9% decrease from the previous year. Some of the departments included within the general government category include the Prosecutor, Administrator, Accounting, Clerk, Treasurer, Equalization, Personnel, and Payroll. The departments with the highest expenditures within the general government category of the general fund were Payroll \$1,051,530 (19.7%), Prosecutor \$903,818 (16.9%); Equalization \$659,992 (12.3%); Treasurer \$509,075 (9.5%); and Register of Deeds \$393,977 (7.4%). The payroll department reflected a significant increase from the prior year due to a one-time allocation of \$1,000,000 used towards pension costs.

Public safety. Public safety expenditures totaled \$9,334,480 which was an overall \$237,489 (2.61%) increase from the prior year. This category contains portions of the general fund (including animal control) and the county jail fund, as well as the Nonmajor Governmental funds of the sheriff's reserves, crime victim's rights, sheriff's road patrol, law enforcement, building inspection, drug law enforcement, emergency services and law enforcement technology. The sheriff's road patrol had the largest increase in expenditures from the prior year of \$196,242 (9.3%). The majority of this increase was attributable to staffing costs, large volume purchase of bullet-proof vests, ammunition and supplies, and vehicle leases.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Health and welfare. Health and welfare expenditures totaled \$4,768,966. The amount marks a decrease from the prior year of \$212,004 (4.3%). Of the funds in this category, decreases in expenditures occurred in the commission on aging of \$238,028 (9.5%) mainly related to vehicle purchases.

Recreation and cultural. Recreation and cultural expenditures were \$693,917 which was an increase of \$47,194 (7.3%) from the previous year. This category is made up of the county parks including the Dragon Trail project. The main factors driving the increase were grounds care and maintenance at the county parks and consultant fees/project costs related to the Dragon Trail.

Legislative. Legislative expenditures were \$332,337. The expenditures are an overall decrease from the previous year of \$21,769 (6.1%). Expenditure decreases are reflected in other post employment benefits (OPEB) costs for the board of commissioners. This was mainly due to a revision of the internal funding mechanisms where departmental charges were able to be reduced from the prior fiscal year.

Judicial. Judicial expenditures were \$4,067,403 which included general fund expenditures and other governmental funds. The expenditures increased by \$141,186 (3.6%) from the previous year. Many of the judicial departments actually had reduced expenditures during the 2019 fiscal. The largest decreases were in the 27th Circuit Court - Newaygo \$71,554 (11.2%), Circuit Court Clerk \$34,123 (12.6%), District Court \$139,093 (11.7%), Probate Court \$26,147 (5.7%), and Friend of the Court \$51,707 (5.5%). The reduction in these departments were primarily from changes in personnel costs and staffing and indigent attorney services. During the 2019 fiscal year, the County implemented the Indigent Defense compliance standards (separate from the other judicial departments) which had expenditures of \$435,601. This offset the savings from the other judicial departments and ended with an overall increase of \$141,186 for the judicial function.

Community and economic development. Community and economic development expenditures were \$217,249 which is an increase of \$77,542 (55.5%) from the previous year. This category includes programs related to economic and community development and land use. These programs include housing projects for low income individuals, activity to expand the economic activity within the County, and land use and planning related endeavors. The increase is primarily due to the emergency repair program for community development and the distribution of the remaining Newaygo Economic Development (NCEDO) funds to The Right Place.

Budgetary Highlights

The County makes numerous budget amendments throughout the year based upon the realization of anticipated revenues and expenditures. Primarily, budget variances or amendments for the 2019 fiscal year were attributable to revenues being more than anticipated and other program changes. A few significant variances worth noting are listed below:

- The capital improvements fund was amended for the IT Office 365 Migration Program in the amount of \$45,100.
- The capital improvements fund was also amended to transfer the remaining balance of \$203,834 for the dragon trail project to a separate special revenue fund.
- The county jail was amended in the amount of \$131,923 for additional revenues from telephone commissions, out-county prisoner housing, and prisoner transport services with offsetting amendments to expenditures for personnel, inmate food service, public utilities, building repair/maintenance and various other jail operation costs.
- The jail - additional per diem fund was amended by \$426,119 in charges for services. This was from extra revenue generated from the housing of additional federal inmates over the 140 contracted inmate count along with the increased per diem rate from \$63.37 to \$75.00.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

- The Sheriff received a State of Michigan Snowmobile Law Enforcement grant of \$8,720 and a State ORV law enforcement grant of \$29,810.
- The building safety and permits funds was amended for increased revenues by \$81,616 and eliminated the need for the use of fund balance in FY 2019. Revenue increases were realized in each permit area (building, electrical, mechanical, and plumbing).
- Property tax revenues for the general fund were amended by \$205,029 to reflect the increased revenues for the 2019 summer tax levy.
- The general fund was amended by \$33,525 for the larger than anticipated federal monies in regards to the secure rural schools funding (pass-thru to schools and township) and PILT (payment in lieu of taxes for federal land) dollars.
- Intergovernmental revenues received from the state were amended by \$93,781 for additional monies mainly in regards to liquor tax, personal property tax reimbursements, the 2019 medical marihuana operation oversight grant, section 19 flood recovery grant, and a supplemental amount from state revenue sharing.
- Interest earning revenue in the general fund was amended by \$107,000 due to better than anticipated investment returns.
- A new special revenue fund was established for the Indigent Defense fund for the purpose of accounting for state grant revenue and mandated local share contributions to provide indigent defense in criminal cases with effective assistance of counsel.
- A new special revenue fund was established for the Dragon Trail for the construction, operation, and maintenance of this project.

The annual budget is developed between May and July and ultimately approved in August or September to take effect at the beginning of October. Unfortunately, the timing and process requires a prediction of the taxable value and the Headlee Reduction Fraction well over a year before most of the numbers actually become known. This has caused a natural move towards a more conservative estimate of the anticipated property tax revenue and the potential for greater disparity between budgeted and actual figures.

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

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets. The County's capital assets for its governmental and business-type activities as of September 30, 2019 amounted to \$16,020,699 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, and vehicles. The total decrease in the County's investment in capital assets for the current fiscal year was 5.0%. Major capital assets acquired during the current fiscal year included the following:

Land Improvements:

- Improvements to the commission on aging's parking lot \$ 21,950

Buildings and Building Improvements:

- Two (2) new parks cabins for diamond lake campground 32,000
- Window replacement project at the commission on aging building 21,288

Equipment/Software:

- Storage array, switches, and various other equipment for IT 83,327
- Audio visual equipment for the board of commissioners room 4,863
- Well pressure tank for sandy beach campground 4,300
- 2019 Tracker boat with motor and trailer for marine patrol 15,195
- Condensing unit for the department of health and human services building 12,792
- Ferris zero-turn mower for the parks department 10,330

Vehicles:

- Two (2) 2019 el dorado buses for the commission on aging 152,986

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and improvements	\$ 3,001,963	\$ 3,032,437	\$ 5,766	\$ 7,335	\$ 3,007,729	\$ 3,039,772
Construction in progress	-	35,761	-	-	-	35,761
Buildings and improvements	11,443,700	12,036,192	-	-	11,443,700	12,036,192
Office equipment	1,117,167	1,182,695	-	-	1,117,167	1,182,695
Vehicles	452,103	564,771	-	-	452,103	564,771
Total capital assets, net	\$ 16,014,933	\$16,851,856	\$ 5,766	\$ 7,335	\$ 16,020,699	\$16,859,191

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

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Long-term Debt. At the end of the current fiscal year, the County had outstanding bonds in the amount of \$8,752,180 (\$7,538,000 in governmental activities and \$1,244,180 in business-type activities). All the bonds are backed by the County's faith and credit. The County's long-term debt decreased from the prior year. This was, in part, the result of required principal payments being made on long-term debt.

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

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 7,538,000	\$ 8,617,000	\$ 1,244,180	\$ 1,639,180	\$ 8,782,180	\$10,256,180
Premium on bonds payable	5,924	6,955	83,468	115,777	89,392	122,732
Compensated absences	463,786	467,573	-	-	463,786	467,573
Total long-term debt	\$ 8,007,710	\$ 9,091,528	\$ 1,327,648	\$ 1,754,957	\$ 9,335,358	\$10,846,485

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

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the County's budget for the 2020 fiscal year:

- For the 2020 fiscal year, a conservative approach has continued and a tax revenue increase of 1.5% has been budgeted for the County's general fund. It is projected that the road patrol, commission on aging, and veterans' affairs will see slight increases as well.
- The condition of the state and federal economies will likely continue to result in additional decreases in state and federal funding. The actual magnitude of the decreases will depend on the economy within the State of Michigan and continued budgetary cuts at the federal level. It is likely these decreases will come through changes in grants and long standing funding relationships.
- Revenue sharing for the County is budgeted to be \$973,184 for fiscal year 2020. The County is estimated to receive \$782,363 as part of the County revenue sharing payment. The remaining portion of funds, \$190,821, is subject to the County Incentive Program (CIP). The County must comply with the Accountability and Transparency provision of the CIP to qualify for the latter portion of the revenue sharing total.
- The County's MERS (Municipal Employees Retirement System) defined benefit program continues experiencing increases to our employer contributions. Fluctuations in the stock market, low interest rates coupled with accelerated payments from "closed systems" are contributing factors. Recently, MERS has announced changes to their economic assumptions effective with the 12/13/2019 annual actuarial valuation (to be received June 2020). These assumptions changes will impact contributions beginning with our fiscal year 2021. The investment assumptions will be reduced from 7.75% to 7.35% and the wage inflation assumption will be reduced from 3.75% to 3.00%. These changes will increase our future contributions and may prolong the County's obligations. The current status of funding is at 82%. Anything below 60% requires corrective active action by the state.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Highlights of the 2020 budget are as follows:

- Revenue growth continues to remain slow. Fiscal year 2020 is expected to have revenue increase of roughly 1.5% over fiscal year 2019. A greater focus will be placed on realizing revenues and reducing expenditures. There will be a review of multiple departmental fee structures and additional revenues sought.
- The County experienced tremendous expense with the health care program during fiscal year 2019 that required significant funding increases in fiscal year 2020. A roughly 32% increase in funding is budgeted for the substantial increase in health care costs. The inability to predict claim trends is the main contributor along with an unexpected increase of over one million dollars in claims are the factors for the increase. The County will focus on an in depth review of the plan and review all available options to ensure another substantial increase is avoided.
- Other post-employment benefits (OPEBs), in past fiscal years, were a significant annual cost with regards to retiree health insurance. With the re-measurement of the OPEB liability under GASB Statement No. 75 and shifting the retiree health care from a self-funded program to a fully-funded program, the County has been able to significantly reduced to overall liability and budget more accurately for retiree health care costs.
- The County's MERS (Municipal Employees Retirement System) Defined Benefit Program is experiencing substantial increases to our employer contributions. Fluctuation in the stock market, low interest rates coupled with accelerated payments from closed systems are contributing factors. The 2020 fiscal year minimum ARC (annual required contribution) for the "5 year phase-in" method is \$1,176,828. However, the County has opted to pay the higher "no-phase" in contribution of \$1,307,652.
- The county jail is utilizing fund balance realized by the increased number of federal inmates being housed. The increase has provided stabilization of the general fund appropriation, additional personnel both in the jail and road patrol, additional vehicles, and a strong fund balance within the jail budget.
- The 2020 fiscal year budget includes a 2% wage increase for all employees not otherwise bound by contractual language.
- Additional funding of \$20,000 was budgeted in the 2020 fiscal year for the Court's to hire bailiffs.
- The budget reflects substantial increases for investments.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Donna E. Kipp, Finance Director, 1087 Newell Street, P.O. Box 885, White Cloud, Michigan 49349.

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

COUNTY OF NEWAYGO, MICHIGAN

Statement of Net Position September 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 13,461,392	\$ 6,001,732	\$ 19,463,124	\$ 9,740,957
Restricted cash and cash equivalents	-	380,560	380,560	-
Investments	1,365,250	9,306,076	10,671,326	917,757
Receivables	4,353,086	4,612,059	8,965,145	4,545,016
Other assets	394,877	2,227	397,104	1,465,140
Capital assets not being depreciated	2,263,586	-	2,263,586	2,216,801
Capital assets being depreciated, net	13,751,347	5,766	13,757,113	62,657,320
Net pension asset	-	-	-	353,827
Total assets	35,589,538	20,308,420	55,897,958	81,896,818
Deferred outflows of resources				
Deferred charge on bond refunding, net	77,636	25,843	103,479	-
Deferred pension amounts	2,006,439	-	2,006,439	2,232,930
Deferred OPEB amounts	168,309	-	168,309	27,638
Total deferred outflows of resources	2,252,384	25,843	2,278,227	2,260,568
Liabilities				
Payables and accrued liabilities	1,276,927	157,558	1,434,485	3,904,928
Unearned revenue	173,646	-	173,646	-
Long-term debt:				
Due within one year	1,184,548	427,309	1,611,857	1,146,790
Due in more than one year	6,823,162	900,339	7,723,501	5,291,089
Net pension liability (due in more than one year)	5,012,550	-	5,012,550	3,801,928
Net OPEB liability (due in more than one year)	1,173,767	-	1,173,767	3,606,877
Total liabilities	15,644,600	1,485,206	17,129,806	17,751,612
Deferred inflows of resources				
Deferred pension amounts	-	-	-	730,454
Deferred OPEB amounts	-	-	-	1,106,189
Total deferred inflows of resources	-	-	-	1,836,643
Net position				
Net investment in capital assets	8,548,645	5,766	8,554,411	59,006,948
Restricted for:				
Community and economic development	1,086,304	-	1,086,304	-
Public safety purposes	451,746	-	451,746	2,880
Drain construction and maintenance	-	-	-	2,195,969
Debt service	377,126	-	377,126	51,745
Property tax foreclosures	-	380,560	380,560	-
Other purposes	714,895	-	714,895	-
Unrestricted	11,018,606	18,462,731	29,481,337	3,311,589
Total net position	\$ 22,197,322	\$ 18,849,057	\$ 41,046,379	\$ 64,569,131

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2019

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government					
Governmental activities:					
General government	\$ 5,853,255	\$ 1,864,563	\$ 1,090,758	\$ -	\$ (2,897,934)
Public safety	9,280,209	5,634,191	467,491	2,564	(3,175,963)
Public works	283,273	-	100,852	-	(182,421)
Health and welfare	4,807,657	298,148	1,633,069	-	(2,876,440)
Recreation and cultural	673,345	670,005	32,000	-	28,660
Legislative	329,488	-	-	-	(329,488)
Judicial	3,920,463	850,053	1,282,704	-	(1,787,706)
Community and economic development	204,323	20,605	4,984	-	(178,734)
Interest on long-term debt	246,733	-	-	-	(246,733)
Total governmental activities	<u>25,598,746</u>	<u>9,337,565</u>	<u>4,611,858</u>	<u>2,564</u>	<u>(11,646,759)</u>
Business-type activities:					
Delinquent tax administration	274,486	1,421,119	437,068	-	1,583,701
Public works projects	33,554	33,554	-	-	-
Jail commissary	104,728	288,138	5,273	-	188,683
Building authority	65,377	106,104	-	-	40,727
Total business-type activities	<u>478,145</u>	<u>1,848,915</u>	<u>442,341</u>	<u>-</u>	<u>1,813,111</u>
Total primary government	<u>\$ 26,076,891</u>	<u>\$ 11,186,480</u>	<u>\$ 5,054,199</u>	<u>\$ 2,564</u>	<u>\$ (9,833,648)</u>
Component units					
Central Dispatch Authority	\$ 1,072,554	\$ 881,666	\$ 241,219	\$ -	\$ 50,331
Drain Commissioner	587,701	-	-	467,477	(120,224)
Brownfield Redevelopment Authority	17,182	-	430	-	(16,752)
Road Commission	12,495,930	1,374,772	10,464,943	4,321,341	3,665,126
Medical care	12,437,968	12,549,614	-	-	111,646
Total component units	<u>\$ 26,611,335</u>	<u>\$ 14,806,052</u>	<u>\$ 10,706,592</u>	<u>\$ 4,788,818</u>	<u>\$ 3,690,127</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	<u>\$ (11,646,759)</u>	<u>\$ 1,813,111</u>	<u>\$ (9,833,648)</u>	<u>\$ 3,690,127</u>
General revenues:				
Property taxes	11,564,683	-	11,564,683	11,689
Grants and contributions not restricted to specific programs	1,472,272	-	1,472,272	-
Unrestricted investment earnings	251,133	-	251,133	66,145
Gain on sale of capital assets	-	-	-	165,200
Transfers - internal activities	<u>1,174,045</u>	<u>(1,174,045)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>14,462,133</u>	<u>(1,174,045)</u>	<u>13,288,088</u>	<u>243,034</u>
Change in net position	2,815,374	639,066	3,454,440	3,933,161
Net position, beginning of year	<u>19,381,948</u>	<u>18,209,991</u>	<u>37,591,939</u>	<u>60,635,970</u>
Net position, end of year	<u>\$ 22,197,322</u>	<u>\$ 18,849,057</u>	<u>\$ 41,046,379</u>	<u>\$ 64,569,131</u>

concluded

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

This page intentionally left blank.

COUNTY OF NEWAYGO, MICHIGAN

Balance Sheet Governmental Funds September 30, 2019

	General	County Jail (213)	Commission on Aging (295-2952)	Nonmajor Governmental Funds	Totals
Assets					
Cash and cash equivalents	\$ 2,060,636	\$ -	\$ 1,086,291	\$ 5,617,305	\$ 8,764,232
Investments	1,365,250	-	-	-	1,365,250
Receivables:					
Accounts	91,994	18,683	26,003	4,060	140,740
Loans	-	-	-	1,086,304	1,086,304
Taxes	1,392,248	-	183	207	1,392,638
Due from other governments	68,042	256,319	214,848	450,471	989,680
Due from other funds	59,356	-	-	1,450	60,806
Advance to component unit	300,000	-	-	-	300,000
Prepays	32,140	39,359	-	23,650	95,149
Total assets	\$ 5,369,666	\$ 314,361	\$ 1,327,325	\$ 7,183,447	\$ 14,194,799
Liabilities					
Interfund payable	\$ -	\$ 2,493	\$ -	\$ 2,782	\$ 5,275
Accounts payable	155,870	111,596	71,290	356,864	695,620
Accrued expenditures	110,904	59,052	27,066	76,145	273,167
Due to other funds	1,255	-	11,452	12,351	25,058
Unearned revenue	128,896	-	44,577	173	173,646
Total liabilities	396,925	173,141	154,385	448,315	1,172,766
Deferred inflows of resources					
Unavailable revenues - property taxes	718,968	-	-	-	718,968
Fund balances					
Nonspendable	332,140	39,359	-	23,650	395,149
Restricted	97,627	12,729	257,588	2,321,970	2,689,914
Committed	57,855	89,132	-	2,712,217	2,859,204
Assigned	341,381	-	915,352	1,677,295	2,934,028
Unassigned	3,424,770	-	-	-	3,424,770
Total fund balances	4,253,773	141,220	1,172,940	6,735,132	12,303,065
Total liabilities, deferred inflows of resources and fund balances	\$ 5,369,666	\$ 314,361	\$ 1,327,325	\$ 7,183,447	\$ 14,194,799

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

COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
September 30, 2019

Fund balances - total governmental funds \$ 12,303,065

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

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

Capital assets not being depreciated	2,263,586
Capital assets being depreciated, net	13,751,347
Less amounts accounted for in governmental-type internal service funds	(394,381)

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

Deferred inflows of resources for unavailable property taxes receivable	718,968
---	---------

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 internal service funds accounted for in governmental activities	5,092,437
---	-----------

Certain liabilities and deferred outflows of resources, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Deferred charge on bond refunding, net	77,636
Bonds payable and net issuance premium	(7,543,924)
Accrued interest on long-term debt	(59,843)

Certain pension and OPEB-related amounts, such as the net pension and OPEB 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	(5,012,550)
Net OPEB liability	(1,173,767)
Deferred outflows related to the net pension liability	2,006,439
Deferred outflows related to the net OPEB liability	168,309

Net position of governmental activities \$ 22,197,322

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balances

Governmental Funds

For the Year Ended September 30, 2019

	General	County Jail (213)	Commission on Aging (295-2952)	Nonmajor Governmental Funds	Totals
Revenues					
Taxes	\$ 7,966,272	\$ -	\$ 1,426,854	\$ 2,158,937	\$ 11,552,063
Intergovernmental:					
Federal	326,776	4,263	358,699	531,582	1,221,320
State	2,002,516	-	99,520	1,270,876	3,372,912
Local	160,759	-	22,478	146,646	329,883
Licenses and permits	35,790	-	-	31,291	67,081
Fines and forfeitures	31,059	-	-	8,735	39,794
Charges for services	2,357,120	3,137,209	204,385	3,130,056	8,828,770
Interest and rentals	341,865	-	18,989	27,608	388,462
Contributions from private sources	148,399	-	547,662	110,968	807,029
Other revenues/reimbursements	156,674	90,155	48,209	54,708	349,746
Total revenues	13,527,230	3,231,627	2,726,796	7,471,407	26,957,060
Expenditures					
Current:					
Legislative	332,337	-	-	-	332,337
Judicial	2,734,168	-	-	1,333,235	4,067,403
General government	5,279,008	-	-	70,592	5,349,600
Public safety	966,100	4,971,527	-	3,396,853	9,334,480
Public works	244,853	-	-	-	244,853
Health and welfare	1,088,430	-	2,257,298	1,423,238	4,768,966
Community and economic development	176,498	-	-	40,751	217,249
Recreation and cultural	-	-	-	693,917	693,917
Other	123,044	-	-	-	123,044
Debt service:					
Principal	-	-	-	1,079,000	1,079,000
Interest	-	-	-	242,591	242,591
Capital outlay	26,912	-	-	167,104	194,016
Total expenditures	10,971,350	4,971,527	2,257,298	8,447,281	26,647,456
Revenues over (under) expenditures	2,555,880	(1,739,900)	469,498	(975,874)	309,604
Other financing sources (uses)					
Transfers in	1,405,145	1,810,571	3,536	2,769,616	5,988,868
Transfers out	(3,360,943)	-	-	(1,453,880)	(4,814,823)
Total other financing sources (uses)	(1,955,798)	1,810,571	3,536	1,315,736	1,174,045
Net change in fund balances	600,082	70,671	473,034	339,862	1,483,649
Fund balances, beginning of year	3,653,691	70,549	699,906	6,395,270	10,819,416
Fund balances, end of year	\$ 4,253,773	\$ 141,220	\$ 1,172,940	\$ 6,735,132	\$ 12,303,065

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

COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended September 30, 2019

Net change in fund balances - total governmental funds \$ 1,483,649

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

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

Capital assets purchased / constructed	437,165
Depreciation expense	(1,117,400)
Loss on disposal of capital assets	(35,761)

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

Net change in deferred property taxes receivable	12,620
--	--------

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

Principal payments on long-term liabilities	1,079,000
Amortization of premium on long-term debt	1,031
Amortization of deferred charge on bond refunding	(13,700)

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	8,527
Change in the net pension liability and related deferred amounts	155,003
Change in the net OPEB liability and related deferred amounts	116,672

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

Net operating income from governmental activities in internal service funds	388,853
Net other nonoperating revenue (expense) from internal service funds	299,715

Change in net position of governmental activities \$ 2,815,374

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Real and personal property taxes	\$ 7,723,203	\$ 7,907,751	\$ 7,940,103	\$ 32,352
Other taxes	4,500	24,981	38,789	13,808
Total taxes	<u>7,727,703</u>	<u>7,932,732</u>	<u>7,978,892</u>	<u>46,160</u>
Intergovernmental:				
Federal	291,775	325,300	326,776	1,476
State	1,879,943	1,973,724	2,002,516	28,792
Local	123,830	142,063	160,759	18,696
Total intergovernmental	<u>2,295,548</u>	<u>2,441,087</u>	<u>2,490,051</u>	<u>48,964</u>
Licenses and permits	<u>28,650</u>	<u>33,855</u>	<u>35,790</u>	<u>1,935</u>
Fines and forfeitures	<u>40,000</u>	<u>31,240</u>	<u>31,059</u>	<u>(181)</u>
Charges for services	<u>2,262,824</u>	<u>2,320,869</u>	<u>2,357,120</u>	<u>36,251</u>
Interest and rentals:				
Interest revenue	93,000	201,110	239,677	38,567
Rentals	118,501	109,982	102,188	(7,794)
Total interest and rentals	<u>211,501</u>	<u>311,092</u>	<u>341,865</u>	<u>30,773</u>
Contributions from private sources	<u>95,080</u>	<u>149,080</u>	<u>148,399</u>	<u>(681)</u>
Other revenues/reimbursements:				
Reimbursements	197,232	152,913	155,234	2,321
Other revenues	-	1,253	1,440	187
Total other revenues/reimbursements	<u>197,232</u>	<u>154,166</u>	<u>156,674</u>	<u>2,508</u>
Total revenues	<u>12,858,538</u>	<u>13,374,121</u>	<u>13,539,850</u>	<u>165,729</u>
Expenditures				
Legislative:				
Board of Commissioners	<u>341,276</u>	<u>342,160</u>	<u>332,337</u>	<u>(9,823)</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Judicial:				
27th Circuit Court - Newaygo	\$ 687,262	\$ 593,387	\$ 566,089	\$ (27,298)
27th Circuit Court - Oceana	18,274	19,355	19,535	180
Circuit Court Probation	32,480	32,130	31,945	(185)
Circuit Court Clerk	262,781	242,151	236,297	(5,854)
Circuit Court - Juvenile Division	298,558	307,879	315,626	7,747
District Court	1,190,491	1,085,715	1,054,137	(31,578)
Jury Board	13,727	13,083	12,231	(852)
Probate Court	455,045	456,956	436,241	(20,715)
Court Guardian	56,779	65,547	62,067	(3,480)
Total judicial	3,015,397	2,816,203	2,734,168	(82,035)
General government:				
Administrator	206,350	207,675	206,245	(1,430)
Accounting	240,410	240,392	237,388	(3,004)
Clerk	324,329	307,450	299,425	(8,025)
Tax allocation	761	761	700	(61)
Treasurer	527,734	527,734	509,075	(18,659)
Equalization	661,145	669,621	659,992	(9,629)
Cooperative extension	135,203	135,235	134,539	(696)
Civil counsel	20,026	31,689	33,468	1,779
Prosecutor	940,631	924,346	903,818	(20,528)
Register of deeds	412,732	412,732	393,977	(18,755)
Personnel	110,620	115,291	113,183	(2,108)
Surveyor	74,049	92,774	92,774	-
Drain Commissioner	356,964	356,964	344,698	(12,266)
Payroll	1,047,967	1,052,382	1,051,530	(852)
Courtesy desk/mail	1,968	1,104	1,700	596
Drain maintenance and construction	185,982	125,434	125,525	91
Soil erosion/conservation	11,790	10,165	7,626	(2,539)
Elections	171,310	171,310	163,345	(7,965)
Total general government	5,429,971	5,383,059	5,279,008	(104,051)
Public safety:				
Sheriff's department	556,939	575,671	574,861	(810)
Courthouse security	43,963	51,815	48,225	(3,590)
Regional drug force contract	48	48	48	-
Marine law enforcement	38,708	75,179	75,283	104

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Public safety (concluded):				
Animal control	\$ 245,183	\$ 273,376	\$ 267,664	\$ (5,712)
Truancy program	8,019	19	19	-
Total public safety	892,860	976,108	966,100	(10,008)
Public works:				
Board of public works	174,615	50,585	46,907	(3,678)
Recycling	-	185,290	184,854	(436)
Drain tax at large	28,767	15,675	13,092	(2,583)
Total public works	203,382	251,550	244,853	(6,697)
Health and welfare:				
Health department	408,823	427,861	424,101	(3,760)
Contagious disease	608	608	363	(245)
Mental health	359,155	359,155	359,155	-
Family counseling services	8,650	8,650	-	(8,650)
Medical Care Facility maintenance of effort	96,068	85,068	69,848	(15,220)
Substance abuse	72,603	89,571	89,571	-
Medical examiner	146,097	146,097	145,392	(705)
Total health and welfare	1,092,004	1,117,010	1,088,430	(28,580)
Community and economic development:				
Land use educator	82,016	82,016	82,016	-
Economic development (NCEDO)	45,000	81,556	81,556	-
West Michigan regional planning	13,000	13,000	12,926	(74)
Total community and economic development	140,016	176,572	176,498	(74)
Other:				
National Forest grant distributions	104,242	116,103	123,027	6,924
Non-departmental expenditures	30,847	1,234	17	(1,217)
Total other	135,089	117,337	123,044	5,707
Capital outlay	-	27,393	26,912	(481)
Total expenditures	11,249,995	11,207,392	10,971,350	(236,042)
Revenues over expenditures	1,608,543	2,166,729	2,568,500	401,771

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Other financing sources (uses)				
Transfers in	\$ 1,360,045	\$ 1,405,145	\$ 1,405,145	\$ -
Transfers out	(3,179,454)	(3,363,674)	(3,360,943)	(2,731)
Total other financing sources (uses)	(1,819,409)	(1,958,529)	(1,955,798)	(2,731)
Net change in fund balance	(210,866)	208,200	612,702	404,502
Fund balance, beginning of year	4,360,039	4,360,039	4,360,039	-
Fund balance, end of year (budgetary basis)	<u>\$ 4,149,173</u>	<u>\$ 4,568,239</u>	4,972,741	<u>\$ 404,502</u>
Accounting basis difference (Note 2)			<u>(718,968)</u>	
Fund balance, end of year (GAAP basis)			<u>\$ 4,253,773</u>	

concluded

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance Budget and Actual - County Jail For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental - federal	\$ 1,600	\$ 3,160	\$ 4,263	\$ 1,103
Charges for services	3,021,582	3,148,226	3,137,209	(11,017)
Other revenues/reimbursements	85,105	88,824	90,155	1,331
Total revenues	3,108,287	3,240,210	3,231,627	(8,583)
Expenditures				
Current - public safety	4,918,858	5,050,781	4,971,527	(79,254)
Revenues over (under) expenditures	(1,810,571)	(1,810,571)	(1,739,900)	70,671
Other financing sources				
Transfers in	1,810,571	1,810,571	1,810,571	-
Net change in fund balance	-	-	70,671	70,671
Fund balance, beginning of year	70,549	70,549	70,549	-
Fund balance, end of year	\$ 70,549	\$ 70,549	\$ 141,220	\$ 70,671

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - Commission on Aging

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 1,421,718	\$ 1,421,718	\$ 1,426,854	\$ 5,136
Intergovernmental:				
Federal	640,541	673,232	358,699	(314,533)
State	151,609	157,605	99,520	(58,085)
Local	8,700	8,700	22,478	13,778
Charges for services	202,187	218,996	204,385	(14,611)
Interest and rentals	-	-	18,989	18,989
Contributions from private sources	561,081	574,490	547,662	(26,828)
Other revenues/reimbursements	44,000	44,000	48,209	4,209
Total revenues	3,029,836	3,098,741	2,726,796	(371,945)
Expenditures				
Current - Health and welfare	3,036,103	3,105,008	2,257,298	(847,710)
Revenues over expenditures	(6,267)	(6,267)	469,498	475,765
Other financing sources				
Transfers in	6,267	6,267	3,536	(2,731)
Net change in fund balance	-	-	473,034	473,034
Fund balance, beginning of year	699,906	699,906	699,906	-
Fund balance, end of year	\$ 699,906	\$ 699,906	\$ 1,172,940	\$ 473,034

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2019

	Business-type Activities - Enterprise Funds				
	2016 and Prior Delinquent Tax (various)	2018 Delinquent Tax (516182)	Sanitary Sewer Construction (852)	P.A. 123 (520-521)	Nonmajor Enterprise Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 4,200,897	\$ 151,875	\$ -	\$ 782,610	\$ 861,075
Restricted cash and cash equivalents	-	-	-	380,560	-
Investments	8,302,342	-	-	1,003,734	-
Accounts receivable	36,404	-	-	39,309	25,865
Delinquent taxes receivable	5,912	2,306,335	-	-	752,104
Due from other governments	125,742	-	-	-	-
Current portion of leases receivable	-	-	435,890	-	-
Due from other funds	2,262,000	-	-	-	-
Interfund receivable	5,275	-	-	-	-
Prepays	-	-	-	-	2,227
Total current assets	14,938,572	2,458,210	435,890	2,206,213	1,641,271
Noncurrent assets:					
Leases receivable, net of current portion	-	-	884,498	-	-
Capital assets being depreciated, net	-	-	-	-	5,766
Total noncurrent assets	-	-	884,498	-	5,766
Total assets	14,938,572	2,458,210	1,320,388	2,206,213	1,647,037
Deferred outflows of resources					
Deferred charge on bond refunding, net	-	-	25,843	-	-
Liabilities					
Current liabilities:					
Accounts payable	476	-	-	947	137,552
Accrued expenses	-	-	-	-	-
Accrued interest payable	-	-	18,583	-	-
Due to other funds	-	2,050,000	-	-	212,000
Current portion of long-term debt	-	-	427,309	-	-
Total current liabilities	476	2,050,000	445,892	947	349,552
Noncurrent liabilities -					
Long-term debt, net of current portion	-	-	900,339	-	-
Total liabilities	476	2,050,000	1,346,231	947	349,552
Net position					
Investment in capital assets	-	-	-	-	5,766
Restricted for property tax foreclosures	-	-	-	380,560	-
Unrestricted	14,938,096	408,210	-	1,824,706	1,291,719
Total net position	\$ 14,938,096	\$ 408,210	\$ -	\$ 2,205,266	\$ 1,297,485

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

	Governmental Activities
Total	Internal Service Funds
\$ 5,996,457	\$ 4,702,435
380,560	-
9,306,076	-
101,578	443,724
3,064,351	-
125,742	-
435,890	-
2,262,000	-
5,275	-
2,227	299,728
<u>21,680,156</u>	<u>5,445,887</u>
884,498	-
5,766	394,381
<u>890,264</u>	<u>394,381</u>
<u>22,570,420</u>	<u>5,840,268</u>
<u>25,843</u>	-
138,975	231,092
-	17,205
18,583	-
2,262,000	35,748
427,309	80,517
<u>2,846,867</u>	<u>364,562</u>
<u>900,339</u>	<u>383,269</u>
<u>3,747,206</u>	<u>747,831</u>
5,766	394,381
380,560	-
18,462,731	4,698,056
<u>\$ 18,849,057</u>	<u>\$ 5,092,437</u>

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenses and Change in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds				
	2016 and Prior Delinquent Tax (various)	2018 Delinquent Tax (516182)	Sanitary Sewer Construction (852)	P.A. 123 (520-521)	Nonmajor Enterprise Funds
Operating revenues					
Charges for services	\$ -	\$ -	\$ 33,554	\$ 426,438	\$ 279,237
Rentals	-	-	-	-	106,104
Interest and penalties on delinquent taxes	36,972	404,874	-	-	224,503
Reimbursements	-	-	-	328,332	8,901
Total operating revenues	36,972	404,874	33,554	754,770	618,745
Operating expenses					
Supplies and operating expenses	4,378	-	-	264,216	174,428
Depreciation	-	-	-	-	1,569
Total operating expenses	4,378	-	-	264,216	175,997
Operating income	32,594	404,874	33,554	490,554	442,748
Nonoperating revenues (expenses)					
Interest income	391,525	3,336	-	33,710	13,770
Interest expense	-	-	(33,554)	-	-
Gain on sale of capital assets	-	-	-	-	-
Insurance pool distribution	-	-	-	-	-
Total nonoperating revenues (expense)	391,525	3,336	(33,554)	33,710	13,770
Income before transfers	424,119	408,210	-	524,264	456,518
Transfers					
Transfers in	439,500	-	-	-	-
Transfers out	(789,500)	-	-	(722,545)	(101,500)
Total transfers	(350,000)	-	-	(722,545)	(101,500)
Change in net position	74,119	408,210	-	(198,281)	355,018
Net position, beginning of year	14,863,977	-	-	2,403,547	942,467
Net position, end of year	\$ 14,938,096	\$ 408,210	\$ -	\$ 2,205,266	\$ 1,297,485

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

	Governmental Activities
Total	Internal Service Funds
\$ 739,229	\$ 4,589,822
106,104	-
666,349	-
<u>337,233</u>	<u>4,056,634</u>
<u>1,848,915</u>	<u>8,646,456</u>
443,022	8,098,920
1,569	158,683
<u>444,591</u>	<u>8,257,603</u>
<u>1,404,324</u>	<u>388,853</u>
442,341	7,413
(33,554)	-
-	31,884
-	<u>260,418</u>
<u>408,787</u>	<u>299,715</u>
<u>1,813,111</u>	<u>688,568</u>
439,500	1,069,269
<u>(1,613,545)</u>	<u>(1,069,269)</u>
<u>(1,174,045)</u>	<u>-</u>
639,066	688,568
<u>18,209,991</u>	<u>4,403,869</u>
<u>\$ 18,849,057</u>	<u>\$ 5,092,437</u>

COUNTY OF NEWAYGO, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds				
	2016 and Prior Delinquent Tax (various)	2018 Delinquent Tax (516182)	Sanitary Sewer Construction (852)	P.A. 123 (520-521)	Nonmajor Enterprise Funds
Cash flows from operating activities					
Receipts from customers and users	\$ 624,062	\$ 2,563,767	\$ 33,554	\$ 768,764	\$ 2,212,770
Receipts from interfund services	3,500	-	-	-	-
Payments to vendors	-	(30,691)	-	(267,758)	(188,558)
Payments for personnel services	-	-	-	-	-
Delinquent taxes purchased	-	(4,450,038)	-	-	-
Net cash provided by (used in) operating activities	627,562	(1,916,962)	33,554	501,006	2,024,212
Cash flows from noncapital financing activities					
Cash received from interfund loan	-	2,050,000	-	-	12,000
Cash paid for interfund loan	-	-	-	-	(1,850,000)
Transfers in	439,500	-	-	-	-
Transfers out	(789,500)	-	-	(722,545)	(101,500)
Insurance pool distribution	-	-	-	-	-
Net cash provided by (used in) non-capital financing activities	(350,000)	2,050,000	-	(722,545)	(1,939,500)
Cash flows from capital and related financing activities					
Principal paid on long-term debt	-	-	(395,000)	-	-
Interest paid on long-term debt	-	-	(62,111)	-	-
Cash received from capital leases	-	-	423,557	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Purchases of capital assets	-	-	-	-	-
Net cash used in capital and related financing activities	-	-	(33,554)	-	-
Cash flows from investing activities					
Purchase of investments	(3,315,151)	-	-	(550,000)	-
Proceeds from sale of investments	2,771,854	-	-	539,541	-
Interest received on investments	391,525	3,336	-	33,710	13,770
Net cash provided by (used in) investing activities	(151,772)	3,336	-	23,251	13,770

	Governmental Activities
Total	Internal Service Funds
\$ 6,202,917	\$ -
3,500	8,287,315
(487,007)	(5,327,451)
-	(3,163,352)
<u>(4,450,038)</u>	<u>-</u>
1,269,372	(203,488)
2,062,000	-
(1,850,000)	-
439,500	1,069,269
(1,613,545)	(1,069,269)
<u>-</u>	<u>260,418</u>
(962,045)	260,418
(395,000)	-
(62,111)	-
423,557	-
-	31,884
<u>-</u>	<u>(37,756)</u>
(33,554)	(5,872)
(3,865,151)	-
3,311,395	-
<u>442,341</u>	<u>7,413</u>
(111,415)	7,413

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds				
	2016 and Prior Delinquent Tax (various)	2018 Delinquent Tax (516182)	Sanitary Sewer Construction (852)	P.A. 123 (520-521)	Nonmajor Enterprise Funds
Net changes in cash and cash equivalents	\$ 125,790	\$ 136,374	\$ -	\$ (198,288)	\$ 98,482
Cash and cash equivalents, beginning of year	4,075,107	15,501	-	1,361,458	762,593
Cash and cash equivalents, end of year	<u>\$ 4,200,897</u>	<u>\$ 151,875</u>	<u>\$ -</u>	<u>\$ 1,163,170</u>	<u>\$ 861,075</u>
Cash and cash equivalents as reported on the statement of net position					
Cash and cash equivalents	\$ 4,200,897	\$ 151,875	\$ -	\$ 782,610	\$ 861,075
Restricted cash and cash equivalents	-	-	-	380,560	-
Total cash and cash equivalents	<u>\$ 4,200,897</u>	<u>\$ 151,875</u>	<u>\$ -</u>	<u>\$ 1,163,170</u>	<u>\$ 861,075</u>
Reconciliation of operating income to net cash provided by (used in) operating activities					
Operating income	\$ 32,594	\$ 404,874	\$ 33,554	\$ 490,554	\$ 442,748
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	-	1,569
Change in operating assets and liabilities:					
Interfund receivable	77,464	-	-	-	-
Accounts receivable	4,071	-	-	13,994	12,536
Taxes receivable	708,676	(2,291,145)	-	-	1,535,090
Due from other governments	(17,373)	-	-	-	-
Due from other funds	3,500	-	-	-	-
Prepays	2,176	-	-	-	(1,922)
Interfund payable	15,077	-	-	-	-
Accounts payable	1,377	(15,191)	-	(3,542)	34,191
Accrued expenses	-	-	-	-	-
Due to other funds	(200,000)	(15,500)	-	-	-
Compensated absences	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 627,562</u>	<u>\$ (1,916,962)</u>	<u>\$ 33,554</u>	<u>\$ 501,006</u>	<u>\$ 2,024,212</u>

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

	Governmental Activities
Total	Internal Service Funds
\$ 162,358	\$ 58,471
6,214,659	4,643,964
<u>\$ 6,377,017</u>	<u>\$ 4,702,435</u>

\$ 5,996,457	\$ 4,702,435
380,560	-
<u>\$ 6,377,017</u>	<u>\$ 4,702,435</u>

\$ 1,404,324 \$ 388,853

1,569	158,683
77,464	-
30,601	(384,579)
(47,379)	-
(17,373)	-
3,500	23,957
254	(14,347)
15,077	-
16,835	(354,845)
-	(18,904)
(215,500)	1,481
-	(3,787)
<u>\$ 1,269,372</u>	<u>\$ (203,488)</u>

concluded

COUNTY OF NEWAYGO, MICHIGAN

Statement of Fiduciary Assets and Liabilities

Agency Funds
September 30, 2019

Assets	
Cash and cash equivalents	<u>\$ 5,725,167</u>
Liabilities	
Accounts payable	\$ 262,198
Due to other governments	5,339,912
Undistributed receipts	<u>123,057</u>
Total liabilities	<u>\$ 5,725,167</u>

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

This page intentionally left blank.

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position

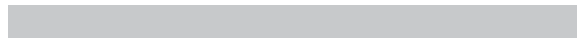
Discretely Presented Component Units

September 30, 2019

	Central Dispatch Authority	Drain Commissioner	Brownfield Redevelopment Authority
Assets			
Cash and cash equivalents	\$ 705,648	\$ 910,587	\$ 87,337
Investments	-	-	-
Receivables	288,009	1,661,585	-
Other assets	26,944	-	-
Capital assets not being depreciated	-	65,350	-
Capital assets being depreciated, net	1,104,198	1,109,909	-
Net pension asset	-	-	-
Total assets	2,124,799	3,747,431	87,337
Deferred outflows of resources			
Deferred pension amounts	438,053	-	-
Deferred OPEB amounts	11,990	-	-
Total deferred outflows of resources	450,043	-	-
Liabilities			
Accounts payable and accrued liabilities	478,082	324,458	4,726
Long-term debt:			
Due within one year	65,000	61,165	-
Due in more than one year	585,000	1,030,487	-
Net pension liability (due in more than one year)	1,094,358	-	-
Net OPEB liability (due in more than one year)	83,616	-	-
Total liabilities	2,306,056	1,416,110	4,726
Deferred inflows of resources			
Deferred pension amounts	-	-	-
Deferred OPEB amounts	-	-	-
Total deferred inflows of resources	-	-	-
Net position			
Net investment in capital assets	454,198	83,607	-
Restricted for employee training	2,880	-	-
Restricted for drain construction and maintenance	-	2,195,969	-
Restricted for debt service	-	51,745	-
Unrestricted (deficit)	(188,292)	-	82,611
Total net position	\$ 268,786	\$ 2,331,321	\$ 82,611

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

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



Road Commission	Medical Care Facility *	Total
\$ 2,174,912	\$ 5,862,473	\$ 9,740,957
917,757	-	917,757
1,582,408	1,013,014	4,545,016
1,170,116	268,080	1,465,140
2,151,451	-	2,216,801
51,295,958	9,147,255	62,657,320
-	353,827	353,827
<u>59,292,602</u>	<u>16,644,649</u>	<u>81,896,818</u>
1,339,915	454,962	2,232,930
15,648	-	27,638
<u>1,355,563</u>	<u>454,962</u>	<u>2,260,568</u>
1,807,895	1,289,767	3,904,928
644,564	376,061	1,146,790
3,675,602	-	5,291,089
2,707,570	-	3,801,928
3,523,261	-	3,606,877
<u>12,358,892</u>	<u>1,665,828</u>	<u>17,751,612</u>
212,156	518,298	730,454
1,106,189	-	1,106,189
<u>1,318,345</u>	<u>518,298</u>	<u>1,836,643</u>
49,321,888	9,147,255	59,006,948
-	-	2,880
-	-	2,195,969
-	-	51,745
(2,350,960)	5,768,230	3,311,589
<u>\$ 46,970,928</u>	<u>\$ 14,915,485</u>	<u>\$ 64,569,131</u>

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Activities Discretely Presented Component Units For the Year Ended September 30, 2019

	Central Dispatch Authority	Drain Commissioner	Brownfield Redevelopment Authority
Expenses			
Central dispatch	\$ 1,072,554	\$ -	\$ -
County drains	-	587,701	-
Brownfield redevelopment	-	-	17,182
Roads	-	-	-
Medical care	-	-	-
Total expenses	1,072,554	587,701	17,182
Program revenues			
Charges for services	881,666	-	-
Operating grants and contributions	241,219	-	430
Capital grants and contributions	-	467,477	-
Total program revenues	1,122,885	467,477	430
Net revenue (expense)	50,331	(120,224)	(16,752)
General revenues			
Property taxes	-	-	11,689
Unrestricted investment earnings	5,045	2,017	-
Gain on sale of capital assets	-	-	-
Total general revenues	5,045	2,017	11,689
Change in net position	55,376	(118,207)	(5,063)
Net position, beginning of year	213,410	2,449,528	87,674
Net position, end of year	\$ 268,786	\$ 2,331,321	\$ 82,611

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

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



Road Commission	Medical Care Facility *	Total
\$ -	\$ -	\$ 1,072,554
-	-	587,701
-	-	17,182
12,495,930	-	12,495,930
-	12,437,968	12,437,968
<u>12,495,930</u>	<u>12,437,968</u>	<u>26,611,335</u>
1,374,772	12,549,614	14,806,052
10,464,943	-	10,706,592
4,321,341	-	4,788,818
<u>16,161,056</u>	<u>12,549,614</u>	<u>30,301,462</u>
<u>3,665,126</u>	<u>111,646</u>	<u>3,690,127</u>
-	-	11,689
-	59,083	66,145
165,200	-	165,200
<u>165,200</u>	<u>59,083</u>	<u>243,034</u>
3,830,326	170,729	3,933,161
<u>43,140,602</u>	<u>14,744,756</u>	<u>60,635,970</u>
<u>\$ 46,970,928</u>	<u>\$ 14,915,485</u>	<u>\$ 64,569,131</u>

This page intentionally left blank.

NOTES TO FINANCIAL STATEMENTS

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

Blended Component Unit

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

Discretely Presented Component Units

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

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

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

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Jointly Governed Organizations

Mid-State Health Network - The County participates jointly with numerous other northern Michigan counties in the operation of a substance abuse treatment agency. The funding formula requires the County to appropriate 50% of its convention facility revenue each year, which amounted to \$89,309 for the year ended September 30, 2019.

District Health Department #10 - The County participates jointly in the operation of this Health Department with ten other area counties. The County appropriated \$308,099 to the Health Department for the year ended September 30, 2019.

West Michigan Forensic Pathology Services (the "Morgue Authority") - Newaygo County participates in an Authority with other counties that provides joint ownership and use of a shared morgue. The morgue facility is housed in Mecosta County but is available to any of the participating governments for a per-use charge which is intended to cover the operational costs of the facility. Any capital-related needs are to be shared equitably by the participating governments. The County made no contributions to the Authority during the year.

Government-wide and Fund Financial Statements

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

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

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

The County reports the following major governmental funds:

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

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

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

The County reports the following major proprietary funds:

The *2016 and prior delinquent tax fund* accounts for the collection and administration of delinquent property taxes levied in years 2016 and prior.

The *2018 delinquent tax fund* accounts for the collection and administration of delinquent property taxes levied in the year 2018.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

The *sanitary sewer construction fund* accounts for special assessment debt issued on behalf of local units, dollars received from the local units for the payment of principal and interest on this debt, and expenditures of bond proceeds.

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

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

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

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

Deposits and Investments

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

Restricted cash and cash equivalents consists of proceeds from the sale of foreclosed property, net of unpaid taxes and fees and auction costs. When or after the County Treasurer declares a surplus, these funds can be utilized at the direction of the Board of Commissioners.

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

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

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

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

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

Bankers' acceptances of United States banks.

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

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

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

Receivables and Payables

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

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

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

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

Other Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,500 and an estimated useful life of one year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

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

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	25-40
Land improvements	10-20
Machinery and equipment	5-10
Vehicles	3-5
Bike paths and trailways	20
Drain infrastructure	20

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future periods and, as such, will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources in the proprietary fund and government-wide statements for deferred charges on bond refundings. The amounts result from the difference in the carrying value of refunded debt and its reacquisition price and are amortized over the shorter of the life of the refunded or refunding debt. In addition, the County reports deferred outflows of resources related to the net pension and other postemployment benefit liabilities. A portion of these costs represent contributions to the pension plan subsequent to the plan measurement date.

Compensated Absences

Eligible employees are permitted to accumulate earned but unused vacation pay benefits in varying amounts based on length of service and certain other established criteria. Personal time off and vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

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

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Deferred Inflows of Resources

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

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 has delegated the authority to assign fund balance to the County Administrator. Unassigned fund balance is the residual classification for the general fund.

The County Board of Commissioners has adopted a minimum fund balance policy in which unassigned fund balance of the general fund will be equal to a range of 10 percent to 16 percent of total general fund expenditures (including budgeted transfers out). At September 30, 2019, unassigned fund balance of the general fund was equal to 24 percent of general fund expenditures and transfers out.

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

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 NEWAYGO, MICHIGAN

Notes to Financial Statements

Pensions and Other Postemployment Benefits

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

Use of Estimates

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

2. BUDGETARY INFORMATION

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

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

Budget / GAAP Reconciliation

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

	Budgetary Basis	Accounting Basis Difference	GAAP Basis
General fund			
Deferred inflows of resources	\$ -	\$ 718,968	\$ 718,968
Property tax revenue	7,978,892	(12,620)	7,966,272
Fund balance, beginning of year	4,360,039	(706,348)	3,653,691
Fund balance, end of year	4,972,741	(718,968)	4,253,773

3. EXCESS OF EXPENDITURES OVER BUDGET

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

During the year ended September 30, 2019, the County had incurred expenditures in budgetary funds which were in excess of the amounts budgeted as follows:

	Final Budget	Expenditures	Budget Variance
General fund:			
Judicial:			
27th Circuit Court - Oceana	\$ 19,355	\$ 19,535	\$ 180
Circuit Court - Juvenile Division	307,879	315,626	7,747
General government:			
Civil counsel	31,689	33,468	1,779
Courtesy desk/mail	1,104	1,700	596
Drain maintenance and construction	125,434	125,525	91
Public safety:			
Marine law enforcement	75,179	75,283	104
Other:			
National Forest grant distributions	116,103	123,027	6,924
Nonmajor governmental funds:			
Community development - Community and economic development	-	40,751	40,751

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

4. DEPOSITS AND INVESTMENTS

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

Following is a reconciliation of deposit and investment balances as of September 30, 2019:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and cash equivalents	\$ 19,463,124	\$ 9,740,957	\$ 29,204,081
Restricted cash and cash equivalents	380,560	-	380,560
Investments	10,671,326	917,757	11,589,083
Statement of Fiduciary Assets and Liabilities			
Cash and cash equivalents	5,725,167	-	5,725,167
Total deposits and investments	36,240,177	10,658,714	46,898,891
Less component units separately audited			
Road Commission	-	(3,092,669)	(3,092,669)
Medical Care Facility	-	(5,862,473)	(5,862,473)
Deposits and investments excluding separately audited component units	\$ 36,240,177	\$ 1,703,572	\$ 37,943,749
Deposits and investments			
Checking and savings accounts			\$ 16,281,386
Certificates of deposit			6,170,122
Investments			15,490,955
Cash on hand			1,286
Total			\$ 37,943,749

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end, \$16,661,341 of the County's bank balance of \$22,555,105 was exposed to custodial credit risk because it was uninsured and uncollateralized. Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In order to minimize this risk, County policy limits the types of investments and pre-qualifies financial institutions. As of September 30, 2019, none of the County's investments were exposed to risk since the securities are held in the County's name by the counterparty. Following is a summary of the County's investments as of September 30, 2019:

U.S. government bonds	\$ 3,227,055
Michigan CLASS	10,998,956
Municipal bonds	<u>1,264,944</u>
Total	<u>\$ 15,490,955</u>

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

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

S&P AA+	\$ 3,380,968
S&P AA	353,687
S&P AA-	158,640
S&P AAAm	10,998,956
Moody Aaa	94,930
Moody AA1	<u>503,774</u>
Total	<u>\$ 15,490,955</u>

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

Maturity dates for investments and certificates of deposit held at year-end are summarized as follows:

	Certificates of Deposit	Investments
No maturity	\$ -	\$ 10,998,956
Due within one year	3,805,243	1,499,921
Due in 1-5 years	<u>2,364,879</u>	<u>2,992,078</u>
Total	<u>\$ 6,170,122</u>	<u>\$ 15,490,955</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the County's investments, excluding those invested in the Michigan CLASS government investment pool, as of September 30, 2019 are valued using Level 2 inputs.

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

At year end, the net asset value of the County's investment in Michigan CLASS government investment pool was \$10,998,956. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 584,464	\$ 101,578	\$ 1,436,759
Less: allowance for uncollectibles	-	-	(114,377)
Loans receivable	1,086,304	-	-
Taxes (current)	1,392,638	-	-
Taxes (delinquent)	-	3,064,351	-
Due from other governments	989,680	125,742	1,561,049
Advance to component units	300,000	-	-
Special assessments	-	-	1,661,585
Leases	-	1,320,388	-
Total receivables	\$ 4,353,086	\$ 4,612,059	\$ 4,545,016

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Of the amounts reported for receivables above, loans receivable of \$1,086,304, special assessments receivable of \$1,112,321, and leases receivable \$884,498 are not expected to be collected within one year.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the County reported deferred inflows of resources in governmental funds of \$718,968 for property taxes receivable and \$1,661,585 in the drain commission discretely presented component unit for special assessments receivable.

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

6. OTHER ASSETS

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

	Governmental Activities	Business-type Activities	Component Units
Inventories	\$ -	\$ -	\$ 1,226,619
Prepays	394,877	2,227	238,521
Total other assets	<u>\$ 394,877</u>	<u>\$ 2,227</u>	<u>\$ 1,465,140</u>

7. PAYABLES AND ACCRUED LIABILITIES

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

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 926,712	\$ 138,975	\$ 2,930,794
Accrued liabilities	290,372	-	345,097
Due to other governments	-	-	854
Accrued interest on long-term debt	59,843	18,583	-
Advance from primary government	-	-	300,000
Advance from State of Michigan	-	-	328,183
Total payables	<u>\$ 1,276,927</u>	<u>\$ 157,558</u>	<u>\$ 3,904,928</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2019, is as follows:

Due to and from primary government funds

	Due from Other Funds	Due to Other Funds
General fund	\$ 59,356	\$ 1,255
Commission on aging	-	11,452
Nonmajor governmental funds	1,450	12,351
2016 and prior delinquent tax	2,262,000	-
2018 delinquent tax	-	2,050,000
Nonmajor enterprise funds	-	212,000
Internal service funds	-	35,748
Totals	<u>\$ 2,322,806</u>	<u>\$ 2,322,806</u>

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

Interfund receivables and payables

	Interfund Receivable	Interfund Payable
County jail	\$ -	\$ 2,493
Nonmajor governmental funds	-	2,782
2016 and prior delinquent tax	5,275	-
Totals	<u>\$ 5,275</u>	<u>\$ 5,275</u>

These balances result from funds with negative balances in the County's pooled cash and investments.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

For the year ended September 30, 2019, interfund transfers consisted of the following:

Transfers Out	Transfers in						Totals
	General Fund	County Jail	Commission on Aging	Nonmajor Governmental Funds	2016 and Prior Delinquent Tax	Internal Service Funds	
General fund	\$ -	\$ 983,500	\$ 3,536	\$ 2,373,907	\$ -	\$ -	\$ 3,360,943
Nonmajor governmental funds	307,600	750,571	-	395,709	-	-	1,453,880
2016 and prior delinquent tax	789,500	-	-	-	-	-	789,500
P.A. 123	283,045	-	-	-	439,500	-	722,545
Nonmajor enterprise funds	25,000	76,500	-	-	-	-	101,500
Internal service funds	-	-	-	-	-	1,069,269	1,069,269
Totals	\$ 1,405,145	\$ 1,810,571	\$ 3,536	\$ 2,769,616	\$ 439,500	\$ 1,069,269	\$ 7,497,637

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

9. CAPITAL ASSETS

Primary government

Capital asset activity for the primary government for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 2,263,586	\$ -	\$ -	\$ -	\$ 2,263,586
Construction in progress	35,761	-	(35,761)	-	-
	<u>2,299,347</u>	<u>-</u>	<u>(35,761)</u>	<u>-</u>	<u>2,263,586</u>
Capital assets, being depreciated:					
Buildings	23,644,469	64,143	-	-	23,708,612
Land improvements	1,570,318	30,024	-	-	1,600,342
Office equipment	4,492,021	227,768	(19,629)	-	4,700,160
Vehicles	2,278,689	152,986	(375,400)	-	2,056,275
	<u>31,985,497</u>	<u>474,921</u>	<u>(395,029)</u>	<u>-</u>	<u>32,065,389</u>
Less accumulated depreciation for:					
Buildings	(11,608,277)	(656,635)	-	-	(12,264,912)
Land improvements	(801,467)	(60,498)	-	-	(861,965)
Office equipment	(3,309,326)	(293,296)	19,629	-	(3,582,993)
Vehicles	(1,713,918)	(265,654)	375,400	-	(1,604,172)
	<u>(17,432,988)</u>	<u>(1,276,083)</u>	<u>395,029</u>	<u>-</u>	<u>(18,314,042)</u>
Total capital assets being depreciated, net	<u>14,552,509</u>	<u>(801,162)</u>	<u>-</u>	<u>-</u>	<u>13,751,347</u>
Governmental activities capital assets, net	<u>\$ 16,851,856</u>	<u>\$ (801,162)</u>	<u>\$ (35,761)</u>	<u>\$ -</u>	<u>\$ 16,014,933</u>
Business-type activities					
Capital assets, being depreciated:					
Land improvements	\$ 15,686	\$ -	\$ -	\$ -	\$ 15,686
Equipment	29,341	-	-	-	29,341
	<u>45,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,027</u>
Less accumulated depreciation for:					
Land improvements	(8,351)	(1,569)	-	-	(9,920)
Equipment	(29,341)	-	-	-	(29,341)
	<u>(37,692)</u>	<u>(1,569)</u>	<u>-</u>	<u>-</u>	<u>(39,261)</u>
Business-type activities capital assets, net	<u>\$ 7,335</u>	<u>\$ (1,569)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,766</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

Depreciation of governmental activities by function	
General government	\$ 486,595
Public safety	346,596
Health and welfare	223,468
Cultural and recreation	60,235
Judicial	506
Internal service funds *	<u>158,683</u>
 Total governmental activities	 <u>\$ 1,276,083</u>

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

Depreciation of business-type activities by function	
Nonmajor enterprise funds	<u>\$ 1,569</u>

Discretely presented component units

Capital assets activity for the Central Dispatch Authority component unit for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Central Dispatch Authority					
Capital assets, being depreciated:					
Equipment	\$ 976,270	\$ 620,557	\$ -	\$ -	\$ 1,596,827
Less accumulated depreciation for:					
Equipment	<u>(415,090)</u>	<u>(77,539)</u>	<u>-</u>	<u>-</u>	<u>(492,629)</u>
Central Dispatch Authority capital assets, net	<u>\$ 561,180</u>	<u>\$ 543,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,104,198</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Capital assets activity for the Drain Commissioner component unit for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Drain Commissioner					
Capital assets, not being depreciated:					
Land	\$ 65,350	\$ -	\$ -	\$ -	\$ 65,350
Construction in progress	619,181	526,892	-	(1,146,073)	-
	<u>684,531</u>	<u>526,892</u>	<u>-</u>	<u>(1,146,073)</u>	<u>65,350</u>
Capital assets, being depreciated:					
Infrastructure	578,481	-	-	1,146,073	1,724,554
Less accumulated depreciation for:					
Infrastructure	(547,716)	(66,929)	-	-	(614,645)
Total capital assets being depreciated, net	<u>30,765</u>	<u>(66,929)</u>	<u>-</u>	<u>1,146,073</u>	<u>1,109,909</u>
Drain Commissioner capital assets, net	<u>\$ 715,296</u>	<u>\$ 459,963</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,175,259</u>

10. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended September 30, 2019:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 8,617,000	\$ -	\$ (1,079,000)	\$ 7,538,000	\$ 1,103,000
Premium on bonds payable	6,955	-	(1,031)	5,924	1,031
Compensated absences	467,573	125,366	(129,153)	463,786	80,517
Total governmental activities	<u>\$ 9,091,528</u>	<u>\$ 125,366</u>	<u>\$ (1,209,184)</u>	<u>\$ 8,007,710</u>	<u>\$ 1,184,548</u>
Business-type activities					
General obligation bonds	\$ 1,639,180	\$ -	\$ (395,000)	\$ 1,244,180	\$ 395,000
Premium on bonds payable	115,777	-	(32,309)	83,468	32,309
Total business-type activities	<u>\$ 1,754,957</u>	<u>\$ -</u>	<u>\$ (427,309)</u>	<u>\$ 1,327,648</u>	<u>\$ 427,309</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Discretely presented component units					
Central Dispatch Authority					
Notes from direct borrowings and direct placements	\$ -	\$ 650,000	\$ -	\$ 650,000	\$ 65,000
Drain Commissioner					
General obligation debt	1,090,000	-	(20,000)	1,070,000	60,000
Premium on bonds payable	22,817	-	(1,165)	21,652	1,165
	<u>1,112,817</u>	<u>-</u>	<u>(21,165)</u>	<u>1,091,652</u>	<u>61,165</u>
Total discretely presented component units	<u>\$ 1,112,817</u>	<u>\$ 650,000</u>	<u>\$ (21,165)</u>	<u>\$ 1,741,652</u>	<u>\$ 126,165</u>

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

General obligation bonds of business-type activities are offset by capital leases receivable from the local units of government for which the bonds were issued in the County's name. The terms of these capital leases, which relate to water and sewer systems constructed by the County on behalf of the local units, match the debt maturity requirements of the related bonds.

Governmental activities

\$5,550,000 2009 Jail Improvement Bonds (Series A), due in annual installments of \$175,000 to \$555,000 plus interest ranging from 2.50% to 5.00% through 2025.	\$ 3,055,000
\$6,930,000 2013 Medical Care Facility Refunding Bonds, due in annual installments of \$545,000 to \$625,000 plus interest ranging from 0.45% to 1.95% through 2025.	3,600,000
\$1,117,000 2015 Mental Health Refunding Bonds, due in annual installments of \$56,000 to \$96,000 plus interest at 2.675% through 2030.	<u>883,000</u>
Total governmental activities	<u>\$ 7,538,000</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Business-type activities

\$3,780,000 2012 Chain of Lakes Refunding Bond, due in annual installments of \$360,000 to \$400,000 plus interest ranging from 2.00% to 4.00% through 2022. \$ 1,115,000

\$414,167 2005 Hesperia Sanitary Sewer System Bonds, due in annual installments of \$20,000 to \$25,000 plus interest at 1.63% through 2025. 129,180

Total business-type activities \$ 1,244,180

Discretely presented component units

Notes from direct borrowings and direct placements
\$650,000 note payable due in annual installments of \$65,000 plus interest at 1.0% through 2029. \$ 650,000

General obligation bonds
\$1,090,000 2018 drain bonds due in annual installments of \$20,000 to \$60,000 plus interest at 3.5% through 2038. \$ 1,070,000

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

Year Ended September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 1,103,000	\$ 210,836	\$ 395,000	\$ 46,698
2021	1,147,000	182,435	390,000	31,374
2022	1,176,000	151,974	390,000	16,248
2023	1,199,000	119,693	20,000	1,124
2024	1,228,000	85,574	25,000	798
2025-2029	1,593,000	83,227	24,180	392
2030	92,000	2,461	-	-
Totals	<u>\$ 7,538,000</u>	<u>\$ 836,200</u>	<u>\$ 1,244,180</u>	<u>\$ 96,634</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Year Ended September 30,	Discretely Present Component Units			
	General Obligation Bonds		Notes from Direct Borrowing and Direct Placements	
	Principal	Interest	Principal	Interest
2020	\$ 60,000	\$ 37,450	\$ 65,000	\$ 6,500
2021	60,000	35,350	65,000	5,850
2022	60,000	33,250	65,000	5,200
2023	60,000	31,150	65,000	4,550
2024	60,000	29,050	65,000	3,900
2025-2029	275,000	115,500	325,000	9,750
2030-2034	275,000	67,375	-	-
2035-2038	220,000	19,250	-	-
Totals	\$ 1,070,000	368,375	\$ 650,000	\$ 35,750

The compensated absences liability attributable to the governmental activities is expected to be liquidated by the unused sick and vacation internal service fund.

11. OPERATING LEASES

Community Mental Health

On June 1, 2007, the County entered into a lease agreement with the Newaygo County Mental Health Board (the "Board", a separate governmental entity) for office space. The facility construction was funded, in part, by general obligation limited tax bonds, issued by the County. The County signed a 25-year operating lease agreement with the Board for use of the facility, which will remain under ownership of the County itself. Lease payments are due and payable each quarter in the amount of \$18,000 plus an additional amount to fund interest expense on the bonds issued by the County, based on the bond amortization schedule.

The facility has been recorded in capital assets of governmental activities at the initial cost of \$1,915,495, less accumulated depreciation through September 30, 2019 of \$943,407. Rental income for the year ended September 30, 2019 amounted to \$97,199, recorded in the Mental Health Building Bonds debt service fund.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

State of Michigan Department of Human Services

The County leases property to the State of Michigan Department of Human Services (DHS) under an agreement through June 30, 2026. Lease payments are due in monthly installments and increase annually. The property has been recorded in capital assets of governmental activities at the initial cost of \$2,662,847, less accumulated depreciation through September 30, 2019 of \$1,304,303. Rental income for the year ended September 30, 2019 amounted to \$106,104, recorded in the Building Authority enterprise fund. Annual lease payments are as follows:

Year Ended September 30,	Community Mental Health	Department of Human Services	Total
2020	\$ 114,000	\$ 106,104	\$ 220,104
2021	111,600	107,136	218,736
2022	108,000	110,232	218,232
2023	104,400	110,232	214,632
2024	100,800	110,232	211,032
2025-2029	448,800	192,906	641,706
2030-2032	184,800	-	184,800
Totals	\$ 1,172,400	\$ 736,842	\$ 1,909,242

The County leases vehicles for sheriff and commission on aging under operating leases. Operating lease expense for the year ended September 30, 2019 was \$35,122. Future minimum operating lease payments on noncancelable lease terms having initial or remaining lease terms of one year or more are as follows for the years subsequent to September 30, 2019:

Year Ending September 30,	Amount
2020	\$ 33,918
2021	35,378
2022	29,775
2023	13,963
2024	1,996
Total	\$ 115,030

12. RISK MANAGEMENT

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

	Year Ended September 30,	
	2019	2018
Estimated liability, beginning of year	\$ 154,320	\$ 80,201
Estimated claims incurred	88,277	190,693
Claim payments	<u>(131,483)</u>	<u>(116,574)</u>
Estimated liability, end of year	<u>\$ 111,114</u>	<u>\$ 154,320</u>

Additionally, the County provides health and wellness benefits to its employees through a self insurance program. Premiums are paid into the health and wellness internal service fund by all other funds and are available to pay claims and administrative costs of the program. Interfund premiums are based primarily upon claims experience and are reported as quasi-external interfund transactions. The County holds stop-loss coverage on the plan for claims in excess of \$140,000.

The County estimates the liability for its self-insured coverages and includes both those claims that have been reported as well as those that have not yet been reported. These estimates are prepared with the assistance of the County’s third-party administrators for claims management and are recorded in the health and wellness internal service fund. Changes in the estimated claims liability are as follows:

	Year Ended September 30,	
	2019	2018
Estimated liability, beginning of year	\$ 100,043	\$ 68,118
Estimated claims incurred	3,069,857	3,068,995
Claim payments	<u>(3,120,602)</u>	<u>(3,037,070)</u>
Estimated liability, end of year	<u>\$ 49,298</u>	<u>\$ 100,043</u>

13. PROPERTY TAXES

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

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

The taxable value of real and personal property for 2019, for which revenue was recognized in the general fund, was \$1,547,960,659. The general operating tax rate for this levy was 5.3346 mills. The County assessed an additional 0.9905 mill for sheriff road patrol operations, 0.1000 mills for veterans' affairs, 0.9919 mill for commission on aging, and 0.3953 mill to fund debt service payments on the medical care facility bonds. These additional levies were based on the 2018 taxable value of \$1,491,970,694.

Tax Abatements

The County provides tax abatements under several different programs:

Industrial Facilities Tax Exemptions (IFTs), entered into under the Plant Rehabilitation and Industrial Development Districts Act PA 198 of 1974, as amended, provide a tax incentive to manufacturers to enable renovation and expanding of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An IFT certificate entitles the facility to an exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government and is computed at half of the local property tax millage rate, amounting to a reduction in property taxes of approximately 50%. For the year ended September 30, 2019, the County's property taxes were reduced by \$37,993 under this program.

The *Brownfield Agreement*, entered into under the Brownfield Redevelopment Financing Act, Act 381 of 1996, as amended provides reimbursement to taxpayers that remediate environmental contamination on their properties. For the year ended September 30, 2019, the County's property taxes were reduced by \$3,075 under this program.

Under the *Agricultural Processing Renaissance Zone Agreement*, entered into under the Michigan Renaissance Zone Act PA 376 of 1996, as amended, facilities do not pay state education tax, personal and real property taxes, and local income tax where applicable. Taxes are still due on those mandated by the federal government, local bond obligations, the Corporate Income Tax, school sinking fund or special assessments. The Michigan State Administrative Board (SAB), upon recommendations from the Michigan Strategic Fund Board (MSF) and the Michigan Agriculture Commission, approves APRZ designations. Once approved, the company enters into an agreement with the Michigan Strategic Fund (MSF) outlining private investment and job creation numbers approved by the SAB. Taxes can be abated up to 15 years. Tax relief is phased out in 25 percent increments over the last three years of the zone designation. For the year ended, September 30, 2019, the County's property taxes were reduced by \$94,399 under this program.

14. CONTINGENT LIABILITIES

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

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

15. BENEFIT PLANS

Defined Benefit Pension Plan

General Information About the Plan

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

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

Employees Covered by Benefit Terms. At the December 31, 2018 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	117
Inactive employees entitled to but not yet receiving benefits	18
Active employees	<u>14</u>
Total membership	<u><u>149</u></u>

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended September 30, 2019:

Division	Employer Contribution Rate	Employee Contribution Rate	Benefit Multiplier
Unclassified	\$ 20,573	4.00%	2.25%
Police Officers Labor	18,258	4.50%	2.50%
Appointed Department Heads	24,628	4.50%	2.50%
Teamsters Employees	10,952	8.49%	2.50%
Central Dispatch	794	4.00%	2.25%
Corrections Officers	18,228	4.50%	2.50%
Command Unit	3,972	4.50%	2.50%
Corrections Command	5,344	4.50%	2.50%

Net Pension Liability. The County's net pension liability was measured as of December 31, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation

Although no explicit price inflation assumption is used in the valuation, the long-term annual rate of price inflation implicit in the 3.75% base wage inflation is 2.50%.

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

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the most recent actuarial experience study of 2009-2013.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	55.50%	6.15%	3.41%
Global fixed income	18.50%	1.26%	0.23%
Real assets	13.50%	7.22%	0.98%
Diversifying strategies	12.50%	5.00%	0.63%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>8.00%</u>

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2018 was 8.0%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Changes in Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	\$ 25,812,616	\$ 21,548,790	\$ 4,263,826
Changes for the year:			
Service cost	78,355	-	78,355
Interest	1,986,018	-	1,986,018
Difference between expected and actual experience	201,248	-	201,248
Employer contributions	-	1,246,560	(1,246,560)
Employee contributions	-	41,861	(41,861)
Net investment loss	-	(824,596)	824,596
Benefit payments, including refunds of employee contributions	(2,053,138)	(2,053,138)	-
Administrative expense	-	(41,286)	41,286
Net changes	<u>212,483</u>	<u>(1,630,599)</u>	<u>1,843,082</u>
Balances at December 31, 2018	<u>\$ 26,025,099</u>	<u>\$ 19,918,191</u>	<u>\$ 6,106,908</u>

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

Governmental activities	\$ 5,012,550
Central Dispatch Authority component unit	<u>1,094,358</u>
	<u>\$ 6,106,908</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 8.0%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.0%) or 1% higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
County's net pension liability	\$ 8,466,976	\$ 6,106,908	\$ 4,073,350

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2019, the County recognized pension expense of \$1,196,030. The County reported pension-related deferred outflows of resources from the following sources:

Net difference between projected and actual earnings on pension plan investments	\$ 1,519,751
Contributions subsequent to the measurement date	<u>924,741</u>
Total	<u><u>\$ 2,444,492</u></u>
Amounts are recorded in the accompanying financial statements as follows:	
Governmental activities	\$ 2,006,439
Central Dispatch Authority component unit	<u>438,053</u>
	<u><u>\$ 2,444,492</u></u>

The amount of deferred outflows of resources related to County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as pension-related deferred outflows of resources will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2020	\$ 550,873
2021	168,742
2022	296,887
2023	<u>503,249</u>
Total	<u><u>\$ 1,519,751</u></u>

Payable to the Pension Plan. At September 30, 2019, the County had no amount payable for required contributions to the pension plan for the year ended September 30, 2019.

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

Defined Contribution Pension Plan

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

Employer and employee contributions to the plan for the year ended September 30, 2019 amounted to \$602,168 and \$245,188, respectively.

16. OTHER POSTEMPLOYMENT BENEFITS

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

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

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

Plan Membership. At the September 30, 2017 valuation date, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	53
Active plan members	<u>78</u>
Total membership	<u><u>131</u></u>

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

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Investments

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

Concentrations. At September 30, 2019, the OPEB Plan's investments were fully invested in the MERS Retiree Health Funding Vehicle.

Rate of Return. For the year ended September 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 2.51 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	55.50%	6.15%	3.41%
Global fixed income	18.50%	1.26%	0.23%
Real assets	13.50%	7.22%	0.98%
Diversifying strategies	12.50%	5.00%	0.63%
	<u>100.00%</u>		
Inflation			2.50%
Less: risk factor adjustment			<u>-1.00%</u>
Investment rate of return			<u>6.75%</u>

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Actuarial Assumptions. The County's net OPEB liability was measured as of September 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2017 (rolled forward to September 30, 2019), using the following actuarial assumptions applied to all periods included in the measurement:

Salary increases including inflation	2.5%
Investment rate of return	6.75%
Healthcare cost trend rate	Pre-65 annual medical trend rate for 2017-18 of 6.3%, trending to an ultimate rate of 4.0%; post-65 annual medical trend rate for 2017-18 of 4.9%, trending to an ultimate rate of 4.4%
Employee turnover/withdrawal	MERS rates for all employees, ranging from 19.6% for 0 years of service to 2.2% for 30 years of service and over
Retirement	Rates ranging from 5.0% for 5-9 years of service to 40.0% for 35 years of service and over
Mortality	RP-2014 mortality table (Healthy Annuitant, Employee, and Disabled, as appropriate) projected back to 2006 base year using Projection Scale MP-2014 (male and female, as appropriate) with generational projection using Projection Scale MP-2017
Probability of accepting benefits	60.0% of current eligible employees are expected to participate in the retiree health insurance plan; 33.0% of future retirees that take coverage are assumed to elect two-party coverage

Net OPEB Liability of the County

The components of the net OPEB liability of the County at September 30, 2019, were as follows:

Total OPEB liability	\$ 5,940,248
Plan fiduciary net position	<u>4,682,865</u>
County's net OPEB liability	<u>\$ 1,257,383</u>
Plan fiduciary net position as a percentage of the total OPEB liability	78.8%

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Changes in Net OPEB Liability

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at September 30, 2018	\$ 5,883,374	\$ 4,635,185	\$ 1,248,189
Changes for the year:			
Service cost	38,532	-	38,532
Interest	387,474	-	387,474
Employer contributions	-	310,777	(310,777)
Net investment income	-	114,947	(114,947)
Benefit payments, including refunds of employee contributions	(369,132)	(369,132)	-
Administrative expense	-	(8,912)	8,912
Net changes	<u>56,874</u>	<u>47,680</u>	<u>9,194</u>
Balances at September 30, 2019	<u>\$ 5,940,248</u>	<u>\$ 4,682,865</u>	<u>\$ 1,257,383</u>

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

Governmental activities	\$ 1,173,767
Central Dispatch Authority component unit	<u>83,616</u>
	<u>\$ 1,257,383</u>

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

1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
\$ 1,923,985	\$ 1,257,383	\$ 694,289

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the County, calculated using the healthcare cost trend rate of 6.3% / 4.9% trending to 4.0% / 4.4%, as well as what the County's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (5.3% / 3.9% trending to 3.0% / 3.4%) or 1% higher (7.3% / 5.9% trending to 5.0% / 5.4%) than the current rate:

1% Decrease 5.3% / 3.9% trending to 3.0% / 3.4%	Current Healthcare Trend Rate (6.3% / 4.9% trending to 4.0% / 4.4%)	1% Increase 7.3% / 5.9% trending to 5.0% / 5.4%
\$ 594,168	\$ 1,257,383	\$ 2,042,725

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2019, the County recognized OPEB expense of \$171,329. The County reported deferred outflows of resources related to OPEB from the following sources:

Net difference between projected and actual earnings on OPEB plan investments	<u>\$ 180,299</u>
Amounts are recorded in the accompanying financial statements as follows:	
Governmental activities	\$ 168,309
Central Dispatch Authority component unit	<u>11,990</u>
	<u>\$ 180,299</u>

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

Year Ended September 30,	Amount
2020	\$ 47,053
2021	47,053
2022	47,054
2023	<u>39,139</u>
Total	<u>\$ 180,299</u>

Payable to the OPEB Plan. At September 30, 2019, the County had no amounts payable for contributions to the OPEB plan.

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

17. FUND BALANCES - GOVERNMENTAL FUNDS

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

	General Fund	County Jail	Commission on Aging	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepays	\$ 32,140	\$ 39,359	\$ -	\$ 23,650	\$ 95,149
Long-term advances	300,000	-	-	-	300,000
Total nonspendable	<u>332,140</u>	<u>39,359</u>	<u>-</u>	<u>23,650</u>	<u>395,149</u>
Restricted for:					
Family counseling (P.A. 368)	93,215	-	-	-	93,215
Law enforcement and road patrol	-	-	-	127,213	127,213
Community development	-	-	-	1,086,304	1,086,304
Jail training	-	12,729	-	-	12,729
Building inspections (P.A. 245)	-	-	-	296,394	296,394
Register of deeds technology (P.A. 698)	-	-	-	95,846	95,846
Commission on aging programs	-	-	257,588	-	257,588
Law library (P.A. 59)	-	-	-	11,731	11,731
Indigent defense	-	-	-	247,655	247,655
Debt service	-	-	-	436,969	436,969
Other purposes	4,412	-	-	19,858	24,270
Total restricted	<u>97,627</u>	<u>12,729</u>	<u>257,588</u>	<u>2,321,970</u>	<u>2,689,914</u>
Committed for:					
Law enforcement and road patrol	-	-	-	1,131,093	1,131,093
Jail operations	-	89,132	-	-	89,132
Friend of court	-	-	-	83,303	83,303
Dragon trail	-	-	-	172,298	172,298
General capital improvements	-	-	-	895,742	895,742
Debt service	-	-	-	429,781	429,781
Other purposes	57,855	-	-	-	57,855
Total committed	<u>57,855</u>	<u>89,132</u>	<u>-</u>	<u>2,712,217</u>	<u>2,859,204</u>
Assigned for:					
Emergency services	-	-	-	44,614	44,614
Community development	-	-	-	203,099	203,099
Animal control	55,671	-	-	-	55,671
Elections	106,944	-	-	-	106,944
Building repair and maintenance	156,750	-	-	-	156,750
Law enforcement	22,016	-	-	188,112	210,128
County parks	-	-	-	163,003	163,003
Friend of court	-	-	-	162,590	162,590
Social services	-	-	-	94,634	94,634
Child care	-	-	-	709,217	709,217
Soldiers' relief	-	-	-	102,392	102,392
Commission on aging programs	-	-	915,352	-	915,352
Other purposes	-	-	-	9,634	9,634
Total assigned	<u>341,381</u>	<u>-</u>	<u>915,352</u>	<u>1,677,295</u>	<u>2,934,028</u>
Unassigned	3,424,770	-	-	-	3,424,770
Total fund balances, governmental funds	<u>\$ 4,253,773</u>	<u>\$ 141,220</u>	<u>\$ 1,172,940</u>	<u>\$ 6,735,132</u>	<u>\$ 12,303,065</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

18. NET INVESTMENT IN CAPITAL ASSETS

The composition of the County's net investment in capital assets as of September 30, 2019, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 2,263,586	\$ -	\$ 2,216,801
Capital assets being depreciated, net	13,751,347	5,766	62,657,320
	<u>16,014,933</u>	<u>5,766</u>	<u>64,874,121</u>
Related debt:			
Bonds and notes payable	7,538,000	1,244,180	1,720,000
Premium on bonds payable	5,924	83,468	21,652
Deferred charge on refunding	(77,636)	(25,843)	-
Amounts related to capital leases receivable *	-	(1,301,805)	-
Installment purchase agreements	-	-	4,125,521
	<u>7,466,288</u>	<u>-</u>	<u>5,867,173</u>
Net investment in capital assets	<u>\$ 8,548,645</u>	<u>\$ 5,766</u>	<u>\$ 59,006,948</u>

* The bonds payable related to leases receivable within business-type activities represents debt issued by the County on behalf of other governments who are responsible for all principal and interest on the bonds. Title to the related assets does not transfer to the local unit until the bonds are repaid in full; however, the County considers the assets to be held by the local unit as a capital lease and, accordingly, the capital asset is not reported by the County itself. Therefore, the outstanding debt and any unamortized premium and deferred charge on refunding has been excluded from the calculation above.



This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

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

	Year Ended September 30,				
	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 78,355	\$ 110,514	\$ 113,354	\$ 144,182	\$ 177,889
Interest	1,986,018	1,996,376	2,006,374	1,964,674	1,936,675
Change in benefits	-	-	12,026	-	-
Difference between expected and actual experience	201,248	(173,466)	(255,874)	(63,125)	-
Changes in assumptions	-	-	-	1,143,513	-
Benefit payments, including refunds of employee contributions	(2,053,138)	(2,040,505)	(1,958,348)	(1,857,659)	(1,659,002)
Other changes	-	-	(2)	(391)	-
Net change in total pension liability	212,483	(107,081)	(82,470)	1,331,194	455,562
Total pension liability, beginning of year	25,812,616	25,919,697	26,002,167	24,670,973	24,215,411
Total pension liability, end of year	26,025,099	25,812,616	25,919,697	26,002,167	24,670,973
Plan fiduciary net position					
Employer contributions	1,246,560	920,388	1,006,665	1,160,256	1,135,610
Employee contributions	41,861	50,390	47,892	4,701	8,638
Net investment income (loss)	(824,596)	2,593,572	2,115,490	(296,005)	1,209,412
Benefit payments, including refunds of employee contributions	(2,053,138)	(2,040,505)	(1,958,348)	(1,857,659)	(1,659,002)
Administrative expense	(41,286)	(41,160)	(41,781)	(43,207)	(44,398)
Other changes	-	(11,201)	-	-	-
Net change in plan fiduciary net position	(1,630,599)	1,471,484	1,169,918	(1,031,914)	650,260
Plan fiduciary net position, beginning of year	21,548,790	20,077,306	18,907,388	19,939,302	19,289,042
Plan fiduciary net position, end of year	19,918,191	21,548,790	20,077,306	18,907,388	19,939,302
County's net pension liability	\$ 6,106,908	\$ 4,263,826	\$ 5,842,391	\$ 7,094,779	\$ 4,731,671
Plan fiduciary net position as a percentage of total pension liability	76.53%	83.48%	77.46%	72.71%	80.82%
Covered payroll	\$ 710,825	\$ 959,101	\$ 1,089,831	\$ 1,396,627	\$ 1,717,803
County's net pension liability as a percentage of covered payroll	859.13%	444.56%	536.08%	507.99%	275.45%

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

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

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

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of the Net Pension Liability

Fiscal Year Ended Sept. 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as Percentage of Covered Payroll
2019	\$ 26,025,099	\$ 19,918,191	\$ 6,106,908	76.53%	\$ 710,825	859.13%
2018	25,812,616	21,548,790	4,263,826	83.48%	959,101	444.56%
2017	25,919,697	20,077,306	5,842,391	77.46%	1,089,831	536.08%
2016	26,002,167	18,907,388	7,094,779	72.71%	1,396,627	507.99%
2015	24,670,973	19,939,302	4,731,671	80.82%	1,717,803	275.45%

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

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

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Contributions

Fiscal Year Ended Sept. 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2019	\$ 1,232,988	\$ 1,232,988	\$ -	\$ 739,302	166.78%
2018	1,251,084	1,251,084	-	901,479	138.78%
2017	810,156	810,156	-	1,092,546	74.15%
2016	805,812	1,072,168	(266,356)	1,445,878	74.15%
2015	744,876	1,189,619	(444,743)	1,660,381	71.65%

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

Notes to Schedule of Contributions

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

Methods and assumptions used to determine contribution rates (2019, based on the 12/31/2016 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	3-10 years based on division
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation
Normal retirement age	Age 60
Mortality	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information Single-Employer Other Postemployment Benefits Plan

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

	Year Ended September 30,	
	2019	2018
Total OPEB liability		
Service cost	\$ 38,532	\$ 37,139
Interest	387,474	383,857
Benefit payments, including refunds of employee contributions	(369,132)	(368,496)
Net change in total OPEB liability	56,874	52,500
Total OPEB liability, beginning of year	5,883,374	5,830,874
Total OPEB liability, end of year	5,940,248	5,883,374
Plan fiduciary net position		
Employer contributions	310,777	946,504
Net investment income	114,947	237,810
Benefit payments, including refunds of employee contributions	(369,132)	(368,496)
Administrative expense	(8,912)	(11,211)
Net change in plan fiduciary net position	47,680	804,607
Plan fiduciary net position, beginning of year	4,635,185	3,830,578
Plan fiduciary net position, end of year	4,682,865	4,635,185
County's net OPEB liability	\$ 1,257,383	\$ 1,248,189
Plan fiduciary net position as a percentage of total OPEB liability	78.83%	78.78%
Covered payroll	\$ 3,719,487	\$ 4,024,782
County's net OPEB liability as a percentage of covered payroll	33.81%	31.01%

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

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information Single-Employer Other Postemployment Benefits Plan

Schedule of the Net OPEB Liability

Year Ended September 30,	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Plan Net Position as Percentage of Total OPEB Liability	Covered Payroll	Net OPEB Liability as Percentage of Covered Payroll
2019	\$ 5,940,248	\$ 4,682,865	\$ 1,257,383	78.83%	\$ 3,719,487	33.81%
2018	5,883,374	4,635,185	1,248,189	78.78%	4,024,782	31.01%

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

Note: As an actuarially determined contribution is not calculated for the OPEB Plan, and the OPEB Plan does not have a contribution requirement that is established by statute or contract, a schedule covering each of the 10 most recent fiscal years that includes information about the statutorily or contractually required contribution rates, contributions to the OPEB Plan, and related ratios, is not provided herein.

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information Single-Employer Other Postemployment Benefits Plan

Schedule of Investment Returns

Year Ended September 30,	Annual Money- Weighted Rate of Return, Net of Investment Expense
2019	2.51%
2018	5.75%

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

This page intentionally left blank.

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

This page intentionally left blank.

GENERAL FUND

COUNTY OF NEWAYGO, MICHIGAN

Combining Schedule of Balance Sheet Accounts

By Activity - General Fund

September 30, 2019

	General Fund (101)	Animal Control (2052)	Elections (214)	Budget vs. GAAP Adjustment
Assets				
Cash and cash equivalents	\$ 1,874,645	\$ 66,154	\$ 119,837	\$ -
Investments	1,365,250	-	-	-
Accounts receivable	91,904	90	-	-
Taxes receivable	1,392,248	-	-	-
Due from other governments	67,974	-	68	-
Due from other funds	59,356	-	-	-
Advance to component unit	300,000	-	-	-
Prepays	29,266	2,102	772	-
Total assets	\$ 5,180,643	\$ 68,346	\$ 120,677	\$ -
Liabilities				
Accounts payable	\$ 139,761	\$ 3,868	\$ 12,241	\$ -
Accrued expenditures	106,992	3,192	720	-
Due to other funds	1,255	-	-	-
Unearned revenue	128,896	-	-	-
Total liabilities	376,904	7,060	12,961	-
Deferred inflows of resources				
Unavailable revenues - property taxes	-	-	-	718,968
Fund balances				
Nonspendable	329,266	2,102	772	-
Restricted	95,857	1,770	-	-
Committed	56,112	1,743	-	-
Assigned	178,766	55,671	106,944	-
Unassigned	4,143,738	-	-	(718,968)
Total fund balances	4,803,739	61,286	107,716	(718,968)
Total liabilities, deferred inflows of resources and fund balances	\$ 5,180,643	\$ 68,346	\$ 120,677	\$ -



Eliminations	Total
\$ -	\$ 2,060,636
-	1,365,250
-	91,994
-	1,392,248
-	68,042
-	59,356
-	300,000
-	32,140
<u>\$ -</u>	<u>\$ 5,369,666</u>
\$ -	\$ 155,870
-	110,904
-	1,255
-	128,896
<u>-</u>	<u>396,925</u>
<u>-</u>	<u>718,968</u>
-	332,140
-	97,627
-	57,855
-	341,381
-	3,424,770
<u>-</u>	<u>4,253,773</u>
<u>\$ -</u>	<u>\$ 5,369,666</u>

COUNTY OF NEWAYGO, MICHIGAN

Combining Schedule of Revenues, Expenditures and Change in Fund Balances

By Activity - General Fund

For the Year Ended September 30, 2019

	General Fund (101)	Animal Control (2052)	Elections (214)	Budget vs. GAAP Adjustment
Revenues				
Taxes	\$ 7,978,892	\$ -	\$ -	\$ (12,620)
Intergovernmental:				
Federal	326,776	-	-	-
State	2,002,516	-	-	-
Local	160,759	-	-	-
Licenses and permits	35,790	-	-	-
Fines and forfeitures	31,059	-	-	-
Charges for services	2,252,046	64,341	40,733	-
Interest and rentals	340,762	1,103	-	-
Contributions from private sources	141,432	6,967	-	-
Other revenues/reimbursements	156,091	-	583	-
Total revenues	13,426,123	72,411	41,316	(12,620)
Expenditures				
Current:				
Legislative	332,337	-	-	-
Judicial	2,734,168	-	-	-
General government	5,115,663	-	163,345	-
Public safety	698,436	267,664	-	-
Public works	244,853	-	-	-
Health and welfare	1,088,430	-	-	-
Community and economic development	176,498	-	-	-
Other	123,044	-	-	-
Capital outlay	26,912	-	-	-
Total expenditures	10,540,341	267,664	163,345	-
Revenues over (under) expenditures	2,885,782	(195,253)	(122,029)	(12,620)
Other financing sources (uses)				
Transfers in	1,405,145	185,083	137,393	-
Transfers out	(3,683,419)	-	-	-
Total other financing sources (uses)	(2,278,274)	185,083	137,393	-
Net change in fund balances	607,508	(10,170)	15,364	(12,620)
Fund balances, beginning of year	4,196,231	71,456	92,352	(706,348)
Fund balances, end of year	\$ 4,803,739	\$ 61,286	\$ 107,716	\$ (718,968)



Eliminations	Total
\$ -	\$ 7,966,272
-	326,776
-	2,002,516
-	160,759
-	35,790
-	31,059
-	2,357,120
-	341,865
-	148,399
-	156,674
-	<u>13,527,230</u>
-	332,337
-	2,734,168
-	5,279,008
-	966,100
-	244,853
-	1,088,430
-	176,498
-	123,044
-	26,912
-	<u>10,971,350</u>
-	<u>2,555,880</u>
(322,476)	1,405,145
<u>322,476</u>	<u>(3,360,943)</u>
-	<u>(1,955,798)</u>
-	600,082
-	<u>3,653,691</u>
<u>\$ -</u>	<u>\$ 4,253,773</u>

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
General fund (fund 101)				
Taxes:				
Real and personal property taxes	\$ 7,723,203	\$ 7,907,751	\$ 7,940,103	\$ 32,352
Other taxes	4,500	24,981	38,789	13,808
Total taxes	7,727,703	7,932,732	7,978,892	46,160
Intergovernmental:				
Federal	291,775	325,300	326,776	1,476
State	1,879,943	1,973,724	2,002,516	28,792
Local	123,830	142,063	160,759	18,696
Total intergovernmental	2,295,548	2,441,087	2,490,051	48,964
Licenses and permits	28,650	33,855	35,790	1,935
Fines and forfeitures	40,000	31,240	31,059	(181)
Charges for services	2,174,224	2,226,314	2,252,046	25,732
Interest and rentals:				
Interest revenue	93,000	200,000	238,574	38,574
Rentals	118,501	109,982	102,188	(7,794)
Total interest and rentals	211,501	309,982	340,762	30,780
Contributions from private sources	93,580	142,080	141,432	(648)
Other revenues/reimbursements:				
Reimbursements	196,982	152,663	154,651	1,988
Other revenue	-	1,253	1,440	187
Total other revenues/reimbursements	196,982	153,916	156,091	2,175
Total general fund (101)	12,768,188	13,271,206	13,426,123	154,917
Animal control (fund 2052)				
Charges for services	58,600	64,555	64,341	(214)
Interest and rentals	-	1,110	1,103	(7)
Contributions from private sources	1,500	7,000	6,967	(33)
Total animal control (fund 2052)	60,100	72,665	72,411	(254)
Elections (fund 214)				
Charges for services	30,000	30,000	40,733	10,733
Other revenue/reimbursements	250	250	583	333
Total elections (fund 214)	30,250	30,250	41,316	11,066
Total revenues	12,858,538	13,374,121	13,539,850	165,729

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
General fund (fund 101)				
Legislative:				
Board of Commissioners	\$ 341,276	\$ 342,160	\$ 332,337	\$ (9,823)
Judicial:				
27th Circuit Court - Newaygo	687,262	593,387	566,089	(27,298)
27th Circuit Court - Oceana	18,274	19,355	19,535	180
Circuit Court Probation	32,480	32,130	31,945	(185)
Circuit Court Clerk	262,781	242,151	236,297	(5,854)
Circuit Court - Juvenile Division	298,558	307,879	315,626	7,747
District Court	1,190,491	1,085,715	1,054,137	(31,578)
Jury Board	13,727	13,083	12,231	(852)
Probate Court	455,045	456,956	436,241	(20,715)
Court Guardian	56,779	65,547	62,067	(3,480)
Total judicial	3,015,397	2,816,203	2,734,168	(82,035)
General government:				
Administrator	206,350	207,675	206,245	(1,430)
Accounting	240,410	240,392	237,388	(3,004)
Clerk	324,329	307,450	299,425	(8,025)
Tax allocation	761	761	700	(61)
Treasurer	527,734	527,734	509,075	(18,659)
Equalization	661,145	669,621	659,992	(9,629)
Cooperative extension	135,203	135,235	134,539	(696)
Civil counsel	20,026	31,689	33,468	1,779
Prosecutor	940,631	924,346	903,818	(20,528)
Register of deeds	412,732	412,732	393,977	(18,755)
Personnel	110,620	115,291	113,183	(2,108)
Surveyor	74,049	92,774	92,774	-
Drain Commissioner	356,964	356,964	344,698	(12,266)
Payroll	1,047,967	1,052,382	1,051,530	(852)
Courtesy desk/mail	1,968	1,104	1,700	596
Drain maintenance and construction	185,982	125,434	125,525	91
Soil erosion/conservation	11,790	10,165	7,626	(2,539)
Total general government	5,258,661	5,211,749	5,115,663	(96,086)
Public safety:				
Sheriff's department	556,939	575,671	574,861	(810)
Courthouse security	43,963	51,815	48,225	(3,590)
Regional drug force contract	48	48	48	-
Marine law enforcement	38,708	75,179	75,283	104
Truancy program	8,019	19	19	-
Total public safety	647,677	702,732	698,436	(4,296)

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Public works:				
Board of public works	\$ 174,615	\$ 50,585	\$ 46,907	\$ (3,678)
Recycling	-	185,290	184,854	(436)
Drain tax at large	28,767	15,675	13,092	(2,583)
Total public works	<u>203,382</u>	<u>251,550</u>	<u>244,853</u>	<u>(6,697)</u>
Health and welfare:				
Health department	408,823	427,861	424,101	(3,760)
Contagious disease	608	608	363	(245)
Mental health	359,155	359,155	359,155	-
Family counseling services	8,650	8,650	-	(8,650)
Medical Care Facility maintenance of effort	96,068	85,068	69,848	(15,220)
Substance abuse	72,603	89,571	89,571	-
Medical examiner	146,097	146,097	145,392	(705)
Total health and welfare	<u>1,092,004</u>	<u>1,117,010</u>	<u>1,088,430</u>	<u>(28,580)</u>
Community and economic development:				
Land use educator	82,016	82,016	82,016	-
Economic development (NCEDO)	45,000	81,556	81,556	-
West Michigan regional planning	13,000	13,000	12,926	(74)
Total community and economic development	<u>140,016</u>	<u>176,572</u>	<u>176,498</u>	<u>(74)</u>
Other:				
National Forest grant distributions	104,242	116,103	123,027	6,924
Non-departmental expenditures	30,847	1,234	17	(1,217)
Total other	<u>135,089</u>	<u>117,337</u>	<u>123,044</u>	<u>5,707</u>
Capital outlay	-	27,393	26,912	(481)
Total general fund (fund 101)	<u>10,833,502</u>	<u>10,762,706</u>	<u>10,540,341</u>	<u>(222,365)</u>
Animal control (fund 2052)				
Public safety	245,183	273,376	267,664	(5,712)
Elections (fund 214)				
General government	<u>171,310</u>	<u>171,310</u>	<u>163,345</u>	<u>(7,965)</u>
Total expenditures	<u>11,249,995</u>	<u>11,207,392</u>	<u>10,971,350</u>	<u>(236,042)</u>
Revenues over expenditures	<u>1,608,543</u>	<u>2,166,729</u>	<u>2,568,500</u>	<u>401,771</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity
 For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Other financing sources (uses)				
General fund (fund 101)				
Transfers in	\$ 1,360,045	\$ 1,405,145	\$ 1,405,145	\$ -
Transfers out	(3,501,930)	(3,686,150)	(3,683,419)	(2,731)
Total general fund (fund 101)	(2,141,885)	(2,281,005)	(2,278,274)	(2,731)
Animal control (fund 2052)				
Transfers in	185,083	185,083	185,083	-
Elections (fund 214)				
Transfers in	137,393	137,393	137,393	-
Total other financing sources (uses)	(1,819,409)	(1,958,529)	(1,955,798)	(2,731)
Net change in fund balance	(210,866)	208,200	612,702	404,502
Fund balance, beginning of year	4,360,039	4,360,039	4,360,039	-
Fund balance, end of year (budgetary basis)	<u>\$ 4,149,173</u>	<u>\$ 4,568,239</u>	4,972,741	<u>\$ 404,502</u>
Accounting basis difference			<u>(718,968)</u>	
Fund balance, end of year (GAAP basis)			<u>\$ 4,253,773</u>	

concluded

This page intentionally left blank.

NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2019

	Special Revenue	Debt Service	Capital Improvement (402)	Totals
Assets				
Cash and cash equivalents	\$ 3,894,391	\$ 819,496	\$ 903,418	\$ 5,617,305
Accounts receivable	4,056	4	-	4,060
Loans receivable	1,086,304	-	-	1,086,304
Taxes receivable	207	-	-	207
Due from other governments	403,221	47,250	-	450,471
Due from other funds	1,450	-	-	1,450
Prepays	23,650	-	-	23,650
Total assets	\$ 5,413,279	\$ 866,750	\$ 903,418	\$ 7,183,447
Liabilities				
Interfund payable	\$ 2,782	\$ -	\$ -	\$ 2,782
Accounts payable	349,188	-	7,676	356,864
Accrued expenditures	76,145	-	-	76,145
Due to other funds	12,351	-	-	12,351
Unearned revenue	173	-	-	173
Total liabilities	440,639	-	7,676	448,315
Fund balances				
Nonspendable	23,650	-	-	23,650
Restricted	1,885,001	436,969	-	2,321,970
Committed	1,386,694	429,781	895,742	2,712,217
Assigned	1,677,295	-	-	1,677,295
Total fund balances	4,972,640	866,750	895,742	6,735,132
Total liabilities and fund balances	\$ 5,413,279	\$ 866,750	\$ 903,418	\$ 7,183,447

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Governmental Funds For the Year Ended September 30, 2019

	Special Revenue	Debt Service	Capital Improvement (402)	Totals
Revenues				
Taxes	\$ 1,569,223	\$ 589,714	\$ -	\$ 2,158,937
Intergovernmental:				
Federal	531,582	-	-	531,582
State	1,241,384	29,492	-	1,270,876
Local	49,447	97,199	-	146,646
Licenses and permits	31,291	-	-	31,291
Fines and forfeitures	8,735	-	-	8,735
Charges for services	2,555,181	574,875	-	3,130,056
Interest and rentals	23,565	4,043	-	27,608
Contributions from private sources	110,968	-	-	110,968
Other revenues/reimbursements	54,708	-	-	54,708
Total revenues	6,176,084	1,295,323	-	7,471,407
Expenditures				
Current:				
Judicial	1,333,235	-	-	1,333,235
General government	70,592	-	-	70,592
Public safety	3,396,853	-	-	3,396,853
Health and welfare	1,423,238	-	-	1,423,238
Community and economic development	40,751	-	-	40,751
Recreation and cultural	693,917	-	-	693,917
Debt service:				
Principal	-	1,079,000	-	1,079,000
Interest	-	242,591	-	242,591
Capital outlay	-	-	167,104	167,104
Total expenditures	6,958,586	1,321,591	167,104	8,447,281
Revenue under expenditures	(782,502)	(26,268)	(167,104)	(975,874)
Other financing sources (uses)				
Transfers in	2,744,616	-	25,000	2,769,616
Transfers out	(942,447)	-	(511,433)	(1,453,880)
Total other financing sources (uses)	1,802,169	-	(486,433)	1,315,736
Net change in fund balances	1,019,667	(26,268)	(653,537)	339,862
Fund balances, beginning of year	3,952,973	893,018	1,549,279	6,395,270
Fund balances, end of year	\$ 4,972,640	\$ 866,750	\$ 895,742	\$ 6,735,132

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds September 30, 2019

	Emergency Services (2053)	Crime Victim Rights (2055)	Sheriff Road Patrol (207)	Law Enforcement (2072)
Assets				
Cash and cash equivalents	\$ 22,971	\$ -	\$ 269,947	\$ 37,555
Accounts receivable	-	-	1,635	-
Loans receivable	-	-	-	-
Taxes receivable	-	-	188	-
Due from other governments	82,722	13,905	2,289	11,047
Due from other funds	218	-	-	1,232
Prepays	3,000	-	3,365	-
Total assets	\$ 108,911	\$ 13,905	\$ 277,424	\$ 49,834
Liabilities				
Interfund payable	\$ -	\$ 2,782	\$ -	\$ -
Accounts payable	45,465	556	48,096	339
Accrued expenditures	2,234	933	34,575	2,613
Due to other funds	-	-	11,218	-
Unearned revenue	173	-	-	-
Total liabilities	47,872	4,271	93,889	2,952
Fund balances				
Nonspendable	3,000	-	3,365	-
Restricted	13,425	-	1,985	46,882
Committed	-	-	-	-
Assigned	44,614	9,634	178,185	-
Total fund balances	61,039	9,634	183,535	46,882
Total liabilities and fund balances	\$ 108,911	\$ 13,905	\$ 277,424	\$ 49,834

Temporary Sheriff (2074)	County Parks (208)	Dragon Trail (2081)	Friend of the Court (215)	Community Development (2441-2443)	Building Safety and Permits (249)
\$ 957,959	\$ 195,571	\$ 184,870	\$ 183,218	\$ 210,074	\$ 368,129
-	690	-	1,731	-	-
-	-	-	-	1,086,304	-
-	-	-	-	-	-
140,271	-	-	76,547	-	-
-	-	-	-	-	-
-	681	-	1,250	-	1,949
<u>\$ 1,098,230</u>	<u>\$ 196,942</u>	<u>\$ 184,870</u>	<u>\$ 262,746</u>	<u>\$ 1,296,378</u>	<u>\$ 370,078</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	25,321	12,572	1,994	6,975	70,620
-	7,937	-	13,609	-	1,115
-	-	-	-	-	-
-	-	-	-	-	-
-	33,258	12,572	15,603	6,975	71,735
-	681	-	1,250	-	1,949
-	-	-	-	1,086,304	296,394
1,098,230	-	172,298	83,303	-	-
-	163,003	-	162,590	203,099	-
<u>1,098,230</u>	<u>163,684</u>	<u>172,298</u>	<u>247,143</u>	<u>1,289,403</u>	<u>298,343</u>
<u>\$ 1,098,230</u>	<u>\$ 196,942</u>	<u>\$ 184,870</u>	<u>\$ 262,746</u>	<u>\$ 1,296,378</u>	<u>\$ 370,078</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds September 30, 2019

	Register of Deeds Automation (256)	Law Enforcement Technical Fund (2567)	Indigent Defense (260)	Concealed Pistol Licensing (263)
Assets				
Cash and cash equivalents	\$ 104,705	\$ 9,806	\$ 307,389	\$ 48,602
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Taxes receivable	-	-	-	-
Due from other governments	-	121	-	-
Due from other funds	-	-	-	-
Prepays	-	13,405	-	-
Total assets	\$ 104,705	\$ 23,332	\$ 307,389	\$ 48,602
Liabilities				
Interfund payable	\$ -	\$ -		\$ -
Accounts payable	8,487	-	58,461	36
Accrued expenditures	372	-	1,273	528
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	8,859	-	59,734	564
Fund balances				
Nonspendable	-	13,405	-	-
Restricted	95,846	-	247,655	48,038
Committed	-	-	-	-
Assigned	-	9,927	-	-
Total fund balances	95,846	23,332	247,655	48,038
Total liabilities and fund balances	\$ 104,705	\$ 23,332	\$ 307,389	\$ 48,602

Drug Law Enforcement (265)	County Law Library (269)	Social Services (290)	Child Care (292)	Soldiers' Relief (293)	Total
\$ 63,359	\$ 12,259	\$ 95,277	\$ 713,511	\$ 109,189	\$ 3,894,391
-	-	-	-	-	4,056
-	-	-	-	-	1,086,304
-	-	-	-	19	207
3,399	-	-	72,920	-	403,221
-	-	-	-	-	1,450
-	-	-	-	-	23,650
<u>\$ 66,758</u>	<u>\$ 12,259</u>	<u>\$ 95,277</u>	<u>\$ 786,431</u>	<u>\$ 109,208</u>	<u>\$ 5,413,279</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,782
-	528	643	66,066	3,029	349,188
1,602	-	-	7,226	2,128	76,145
-	-	-	-	1,133	12,351
-	-	-	-	-	173
<u>1,602</u>	<u>528</u>	<u>643</u>	<u>73,292</u>	<u>6,290</u>	<u>440,639</u>
-	-	-	-	-	23,650
32,293	11,731	-	3,922	526	1,885,001
32,863	-	-	-	-	1,386,694
-	-	94,634	709,217	102,392	1,677,295
<u>65,156</u>	<u>11,731</u>	<u>94,634</u>	<u>713,139</u>	<u>102,918</u>	<u>4,972,640</u>
<u>\$ 66,758</u>	<u>\$ 12,259</u>	<u>\$ 95,277</u>	<u>\$ 786,431</u>	<u>\$ 109,208</u>	<u>\$ 5,413,279</u>

concluded

COUNTY OF NEWAYGO, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Change in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2019**

	Emergency Services (2053)	Crime Victim Rights (2055)	Sheriff Road Patrol (207)	Law Enforcement (2072)
Revenues				
Taxes	\$ -	\$ -	\$ 1,425,438	\$ -
Intergovernmental:				
Federal	86,722	-	4,043	-
State	-	41,774	35,615	98,180
Local	-	-	22,953	9,782
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	80	51,843	-
Interest and rentals	-	-	7,697	-
Contributions from private sources	69,014	383	7,300	-
Other revenue/reimbursements	1,860	-	5,573	-
Total revenues	157,596	42,237	1,560,462	107,962
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	281,753	58,992	2,312,206	161,586
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Total expenditures	281,753	58,992	2,312,206	161,586
Revenue over (under) expenditures	(124,157)	(16,755)	(751,744)	(53,624)
Other financing sources (uses)				
Transfers in	117,591	15,769	887,446	49,946
Transfers out	-	-	(118,726)	-
Total other financing sources (uses)	117,591	15,769	768,720	49,946
Net change in fund balances	(6,566)	(986)	16,976	(3,678)
Fund balances, beginning of year	67,605	10,620	166,559	50,560
Fund balances, end of year	\$ 61,039	\$ 9,634	\$ 183,535	\$ 46,882

Temporary Sheriff (2074)	County Parks (208)	Dragon Trail (2081)	Friend of the Court (215)	Community Development (2441-2443)	Building Safety and Permits (249)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	440,817	-	-
-	-	-	70,124	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,266,307	660,626	-	81,028	-	355,017
-	-	-	-	4,984	9,165
-	32,000	-	-	-	-
-	9,379	-	-	20,605	100
<u>1,266,307</u>	<u>702,005</u>	<u>-</u>	<u>591,969</u>	<u>25,589</u>	<u>364,282</u>
-	-	-	886,823	-	-
-	-	-	-	-	-
28,000	-	-	-	-	435,126
-	-	-	-	-	-
-	-	-	-	40,751	-
-	662,382	31,535	-	-	-
<u>28,000</u>	<u>662,382</u>	<u>31,535</u>	<u>886,823</u>	<u>40,751</u>	<u>435,126</u>
<u>1,238,307</u>	<u>39,623</u>	<u>(31,535)</u>	<u>(294,854)</u>	<u>(15,162)</u>	<u>(70,844)</u>
-	-	203,833	251,523	-	-
(798,721)	(25,000)	-	-	-	-
<u>(798,721)</u>	<u>(25,000)</u>	<u>203,833</u>	<u>251,523</u>	<u>-</u>	<u>-</u>
439,586	14,623	172,298	(43,331)	(15,162)	(70,844)
658,644	149,061	-	290,474	1,304,565	369,187
<u>\$ 1,098,230</u>	<u>\$ 163,684</u>	<u>\$ 172,298</u>	<u>\$ 247,143</u>	<u>\$ 1,289,403</u>	<u>\$ 298,343</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended September 30, 2019

	Register of Deeds Automation (256)	Law Enforcement Technical Fund (2567)	Indigent Defense (260)	Concealed Pistol Licensing (263)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal	-	-	-	-
State	-	-	486,180	-
Local	-	848	-	-
Licenses and permits	-	-	-	31,291
Fines and forfeitures	-	1,870	-	-
Charges for services	52,645	15,063	-	-
Interest and rentals	180	-	-	1,153
Contributions from private sources	-	-	-	-
Other revenue/reimbursements	-	-	-	-
Total revenues	52,825	17,781	486,180	32,444
Expenditures				
Current:				
Judicial	-	-	435,601	-
General government	40,728	-	-	29,864
Public safety	-	25,531	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Total expenditures	40,728	25,531	435,601	29,864
Revenue over (under) expenditures	12,097	(7,750)	50,579	2,580
Other financing sources (uses)				
Transfers in	-	-	197,076	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	197,076	-
Net change in fund balances	12,097	(7,750)	247,655	2,580
Fund balances, beginning of year	83,749	31,082	-	45,458
Fund balances, end of year	\$ 95,846	\$ 23,332	\$ 247,655	\$ 48,038

Drug Law Enforcement (265)	County Law Library (269)	Social Services (290)	Child Care (292)	Soldiers' Relief (293)	Total
\$ -	\$ -	\$ -	\$ -	\$ 143,785	\$ 1,569,223
-	-	-	-	-	531,582
-	-	-	504,517	4,994	1,241,384
13,596	-	-	-	2,268	49,447
-	-	-	-	-	31,291
2,365	4,500	-	-	-	8,735
-	-	17,393	55,179	-	2,555,181
-	-	386	-	-	23,565
-	-	-	2,271	-	110,968
-	-	-	17,191	-	54,708
<u>15,961</u>	<u>4,500</u>	<u>17,779</u>	<u>579,158</u>	<u>151,047</u>	<u>6,176,084</u>
-	10,811	-	-	-	1,333,235
-	-	-	-	-	70,592
93,659	-	-	-	-	3,396,853
-	-	63,542	1,182,597	177,099	1,423,238
-	-	-	-	-	40,751
-	-	-	-	-	693,917
<u>93,659</u>	<u>10,811</u>	<u>63,542</u>	<u>1,182,597</u>	<u>177,099</u>	<u>6,958,586</u>
<u>(77,698)</u>	<u>(6,311)</u>	<u>(45,763)</u>	<u>(603,439)</u>	<u>(26,052)</u>	<u>(782,502)</u>
84,780	16,426	20,382	842,126	57,718	2,744,616
-	-	-	-	-	(942,447)
<u>84,780</u>	<u>16,426</u>	<u>20,382</u>	<u>842,126</u>	<u>57,718</u>	<u>1,802,169</u>
7,082	10,115	(25,381)	238,687	31,666	1,019,667
<u>58,074</u>	<u>1,616</u>	<u>120,015</u>	<u>474,452</u>	<u>71,252</u>	<u>3,952,973</u>
<u>\$ 65,156</u>	<u>\$ 11,731</u>	<u>\$ 94,634</u>	<u>\$ 713,139</u>	<u>\$ 102,918</u>	<u>\$ 4,972,640</u>

concluded

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Change in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2019

	Emergency Services (2053)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental:			
Federal	113,552	86,722	(26,830)
State	-	-	-
Local	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Contributions from private sources	68,796	69,014	218
Other revenue/reimbursements	3,000	1,860	(1,140)
Total revenues	185,348	157,596	(27,752)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	313,994	281,753	(32,241)
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Total expenditures	313,994	281,753	(32,241)
Revenues over (under) expenditures	(128,646)	(124,157)	4,489
Other financing sources (uses)			
Transfers in	117,591	117,591	-
Transfers out	-	-	-
Total other financing sources (uses)	117,591	117,591	-
Net change in fund balances	(11,055)	(6,566)	4,489
Fund balances, beginning of year	67,605	67,605	-
Fund balances, end of year	\$ 56,550	\$ 61,039	\$ 4,489

Crime Victim Rights (2055)			Sheriff Road Patrol (207)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ 1,422,691	\$ 1,425,438	\$ 2,747
-	-	-	4,042	4,043	1
53,533	41,774	(11,759)	35,614	35,615	1
-	-	-	22,428	22,953	525
-	-	-	-	-	-
-	-	-	-	-	-
95	80	(15)	44,479	51,843	7,364
-	-	-	7,450	7,697	247
350	383	33	800	7,300	6,500
-	-	-	4,207	5,573	1,366
<u>53,978</u>	<u>42,237</u>	<u>(11,741)</u>	<u>1,541,711</u>	<u>1,560,462</u>	<u>18,751</u>
-	-	-	-	-	-
-	-	-	-	-	-
69,747	58,992	(10,755)	2,324,032	2,312,206	(11,826)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>69,747</u>	<u>58,992</u>	<u>(10,755)</u>	<u>2,324,032</u>	<u>2,312,206</u>	<u>(11,826)</u>
<u>(15,769)</u>	<u>(16,755)</u>	<u>(986)</u>	<u>(782,321)</u>	<u>(751,744)</u>	<u>30,577</u>
15,769	15,769	-	887,446	887,446	-
-	-	-	(118,726)	(118,726)	-
<u>15,769</u>	<u>15,769</u>	<u>-</u>	<u>768,720</u>	<u>768,720</u>	<u>-</u>
-	(986)	(986)	(13,601)	16,976	30,577
10,620	10,620	-	166,559	166,559	-
<u>\$ 10,620</u>	<u>\$ 9,634</u>	<u>\$ (986)</u>	<u>\$ 152,958</u>	<u>\$ 183,535</u>	<u>\$ 30,577</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Change in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2019

	Law Enforcement (2072)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental:			
Federal	-	-	-
State	117,060	98,180	(18,880)
Local	9,781	9,782	1
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Contributions from private sources	-	-	-
Other revenue/reimbursements	-	-	-
Total revenues	126,841	107,962	(18,879)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	182,550	161,586	(20,964)
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Total expenditures	182,550	161,586	(20,964)
Revenues over (under) expenditures	(55,709)	(53,624)	2,085
Other financing sources (uses)			
Transfers in	49,946	49,946	-
Transfers out	-	-	-
Total other financing sources (uses)	49,946	49,946	-
Net change in fund balances	(5,763)	(3,678)	2,085
Fund balances, beginning of year	50,560	50,560	-
Fund balances, end of year	\$ 44,797	\$ 46,882	\$ 2,085



Temporary Sheriff (2074)			County Parks (208)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,252,840	1,266,307	13,467	632,590	660,626	28,036
-	-	-	-	-	-
-	-	-	42,800	32,000	(10,800)
-	-	-	4,100	9,379	5,279
<u>1,252,840</u>	<u>1,266,307</u>	<u>13,467</u>	<u>679,490</u>	<u>702,005</u>	<u>22,515</u>
-	-	-	-	-	-
-	-	-	-	-	-
28,000	28,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	675,386	662,382	(13,004)
<u>28,000</u>	<u>28,000</u>	<u>-</u>	<u>675,386</u>	<u>662,382</u>	<u>(13,004)</u>
<u>1,224,840</u>	<u>1,238,307</u>	<u>13,467</u>	<u>4,104</u>	<u>39,623</u>	<u>35,519</u>
-	-	-	-	-	-
(798,721)	(798,721)	-	(25,000)	(25,000)	-
<u>(798,721)</u>	<u>(798,721)</u>	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
426,119	439,586	13,467	(20,896)	14,623	35,519
658,644	658,644	-	149,061	149,061	-
<u>\$ 1,084,763</u>	<u>\$ 1,098,230</u>	<u>\$ 13,467</u>	<u>\$ 128,165</u>	<u>\$ 163,684</u>	<u>\$ 35,519</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Change in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2019

	Dragon Trail (2081)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental:			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Contributions from private sources	-	-	-
Other revenue/reimbursements	-	-	-
Total revenues	-	-	-
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	203,834	31,535	(172,299)
Total expenditures	203,834	31,535	(172,299)
Revenues over (under) expenditures	(203,834)	(31,535)	172,299
Other financing sources (uses)			
Transfers in	203,834	203,833	(1)
Transfers out	-	-	-
Total other financing sources (uses)	203,834	203,833	(1)
Net change in fund balances	-	172,298	172,298
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ 172,298	\$ 172,298



Friend of the Court (215)			Community Development (2441-2443)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
464,308	440,817	(23,491)	-	-	-
50,487	70,124	19,637	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
79,450	81,028	1,578	-	-	-
-	-	-	-	4,984	4,984
-	-	-	-	-	-
-	-	-	-	20,605	20,605
<u>594,245</u>	<u>591,969</u>	<u>(2,276)</u>	<u>-</u>	<u>25,589</u>	<u>25,589</u>
892,960	886,823	(6,137)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	40,751	40,751
-	-	-	-	-	-
<u>892,960</u>	<u>886,823</u>	<u>(6,137)</u>	<u>-</u>	<u>40,751</u>	<u>40,751</u>
<u>(298,715)</u>	<u>(294,854)</u>	<u>3,861</u>	<u>-</u>	<u>(15,162)</u>	<u>(15,162)</u>
251,523	251,523	-	-	-	-
-	-	-	-	-	-
<u>251,523</u>	<u>251,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(47,192)	(43,331)	3,861	-	(15,162)	(15,162)
290,474	290,474	-	1,304,565	1,304,565	-
<u>\$ 243,282</u>	<u>\$ 247,143</u>	<u>\$ 3,861</u>	<u>\$ 1,304,565</u>	<u>\$ 1,289,403</u>	<u>\$ (15,162)</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Change in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended September 30, 2019

	Building Safety and Permits (249)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental:			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	349,660	355,017	5,357
Interest and rentals	9,165	9,165	-
Contributions from private sources	-	-	-
Other revenue/reimbursements	100	100	-
Total revenues	358,925	364,282	5,357
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	453,634	435,126	(18,508)
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Total expenditures	453,634	435,126	(18,508)
Revenues over (under) expenditures	(94,709)	(70,844)	23,865
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(94,709)	(70,844)	23,865
Fund balances, beginning of year	369,187	369,187	-
Fund balances, end of year	\$ 274,478	\$ 298,343	\$ 23,865



Register of Deeds Automation (256)			Law Enforcement Technical Fund (2567)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	730	848	118
-	-	-	-	-	-
-	-	-	1,900	1,870	(30)
55,000	52,645	(2,355)	15,340	15,063	(277)
200	180	(20)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>55,200</u>	<u>52,825</u>	<u>(2,375)</u>	<u>17,970</u>	<u>17,781</u>	<u>(189)</u>
-	-	-	-	-	-
56,700	40,728	(15,972)	-	-	-
-	-	-	27,252	25,531	(1,721)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>56,700</u>	<u>40,728</u>	<u>(15,972)</u>	<u>27,252</u>	<u>25,531</u>	<u>(1,721)</u>
<u>(1,500)</u>	<u>12,097</u>	<u>13,597</u>	<u>(9,282)</u>	<u>(7,750)</u>	<u>1,532</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,500)</u>	<u>12,097</u>	<u>13,597</u>	<u>(9,282)</u>	<u>(7,750)</u>	<u>1,532</u>
<u>83,749</u>	<u>83,749</u>	<u>-</u>	<u>31,082</u>	<u>31,082</u>	<u>-</u>
<u>\$ 82,249</u>	<u>\$ 95,846</u>	<u>\$ 13,597</u>	<u>\$ 21,800</u>	<u>\$ 23,332</u>	<u>\$ 1,532</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Change in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended September 30, 2019

	Indigent Defense (260)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental:			
Federal	-	-	-
State	486,179	486,180	1
Local	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Contributions from private sources	-	-	-
Other revenue/reimbursements	-	-	-
Total revenues	486,179	486,180	1
Expenditures			
Current:			
Judicial	683,255	435,601	(247,654)
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Total expenditures	683,255	435,601	(247,654)
Revenues over (under) expenditures	(197,076)	50,579	247,655
Other financing sources (uses)			
Transfers in	197,076	197,076	-
Transfers out	-	-	-
Total other financing sources (uses)	197,076	197,076	-
Net change in fund balances	-	247,655	247,655
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ 247,655	\$ 247,655



Concealed Pistol Licensing Fund (263)			Drug Law Enforcement (265)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	13,596	13,596	-
28,000	31,291	3,291	-	-	-
-	-	-	2,365	2,365	-
-	-	-	-	-	-
-	1,153	1,153	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>28,000</u>	<u>32,444</u>	<u>4,444</u>	<u>15,961</u>	<u>15,961</u>	<u>-</u>
-	-	-	-	-	-
35,624	29,864	(5,760)	-	-	-
-	-	-	100,741	93,659	(7,082)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>35,624</u>	<u>29,864</u>	<u>(5,760)</u>	<u>100,741</u>	<u>93,659</u>	<u>(7,082)</u>
<u>(7,624)</u>	<u>2,580</u>	<u>10,204</u>	<u>(84,780)</u>	<u>(77,698)</u>	<u>7,082</u>
-	-	-	84,780	84,780	-
-	-	-	-	-	-
-	-	-	84,780	84,780	-
(7,624)	2,580	10,204	-	7,082	7,082
45,458	45,458	-	58,074	58,074	-
<u>\$ 37,834</u>	<u>\$ 48,038</u>	<u>\$ 10,204</u>	<u>\$ 58,074</u>	<u>\$ 65,156</u>	<u>\$ 7,082</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Change in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2019

	County Law Library (269)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental:			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	4,500	4,500	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Contributions from private sources	-	-	-
Other revenue/reimbursements	-	-	-
Total revenues	4,500	4,500	-
Expenditures			
Current:			
Judicial	20,926	10,811	(10,115)
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Total expenditures	20,926	10,811	(10,115)
Revenues over (under) expenditures	(16,426)	(6,311)	10,115
Other financing sources (uses)			
Transfers in	16,426	16,426	-
Transfers out	-	-	-
Total other financing sources (uses)	16,426	16,426	-
Net change in fund balances	-	10,115	10,115
Fund balances, beginning of year	1,616	1,616	-
Fund balances, end of year	\$ 1,616	\$ 11,731	\$ 10,115

Social Services (290)			Child Care (292)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	854,336	504,517	(349,819)
-	-	-	-	-	-
-	-	-	-	-	-
18,240	17,393	(847)	80,000	55,179	(24,821)
386	386	-	-	-	-
-	-	-	9,569	2,271	(7,298)
-	-	-	-	17,191	17,191
<u>18,626</u>	<u>17,779</u>	<u>(847)</u>	<u>943,905</u>	<u>579,158</u>	<u>(364,747)</u>
-	-	-	-	-	-
-	-	-	-	-	-
72,275	63,542	(8,733)	1,786,031	1,182,597	(603,434)
-	-	-	-	-	-
-	-	-	-	-	-
<u>72,275</u>	<u>63,542</u>	<u>(8,733)</u>	<u>1,786,031</u>	<u>1,182,597</u>	<u>(603,434)</u>
<u>(53,649)</u>	<u>(45,763)</u>	<u>7,886</u>	<u>(842,126)</u>	<u>(603,439)</u>	<u>238,687</u>
20,382	20,382	-	842,126	842,126	-
-	-	-	-	-	-
<u>20,382</u>	<u>20,382</u>	<u>-</u>	<u>842,126</u>	<u>842,126</u>	<u>-</u>
(33,267)	(25,381)	7,886	-	238,687	238,687
120,015	120,015	-	474,452	474,452	-
<u>\$ 86,748</u>	<u>\$ 94,634</u>	<u>\$ 7,886</u>	<u>\$ 474,452</u>	<u>\$ 713,139</u>	<u>\$ 238,687</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Change in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2019

	Soldiers' Relief (293)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ 143,298	\$ 143,785	\$ 487
Intergovernmental:			
Federal	-	-	-
State	2,910	4,994	2,084
Local	1,120	2,268	1,148
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Contributions from private sources	-	-	-
Other revenue/reimbursements	-	-	-
Total revenues	147,328	151,047	3,719
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	205,166	177,099	(28,067)
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Total expenditures	205,166	177,099	(28,067)
Revenues over (under) expenditures	(57,838)	(26,052)	31,786
Other financing sources (uses)			
Transfers in	57,718	57,718	-
Transfers out	-	-	-
Total other financing sources (uses)	57,718	57,718	-
Net change in fund balances	(120)	31,666	31,786
Fund balances, beginning of year	71,252	71,252	-
Fund balances, end of year	\$ 71,132	\$ 102,918	\$ 31,786



Total		
Final Budget	Actual	Actual Over (Under) Final Budget
\$ 1,565,989	\$ 1,569,223	\$ 3,234
581,902	531,582	(50,320)
1,600,119	1,241,384	(358,735)
47,655	49,447	1,792
28,000	31,291	3,291
8,765	8,735	(30)
2,527,694	2,555,181	27,487
17,201	23,565	6,364
122,315	110,968	(11,347)
11,407	54,708	43,301
<u>6,511,047</u>	<u>6,176,084</u>	<u>(334,963)</u>
1,597,141	1,333,235	(263,906)
92,324	70,592	(21,732)
3,499,950	3,396,853	(103,097)
2,063,472	1,423,238	(640,234)
-	40,751	40,751
879,220	693,917	(185,303)
<u>8,132,107</u>	<u>6,958,586</u>	<u>(1,173,521)</u>
<u>(1,621,060)</u>	<u>(782,502)</u>	<u>838,558</u>
2,744,617	2,744,616	(1)
(942,447)	(942,447)	-
<u>1,802,170</u>	<u>1,802,169</u>	<u>(1)</u>
181,110	1,019,667	838,557
<u>3,952,973</u>	<u>3,952,973</u>	<u>-</u>
<u>\$ 4,134,083</u>	<u>\$ 4,972,640</u>	<u>\$ 838,557</u>

concluded

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet Nonmajor Debt Service Funds September 30, 2019

	Jail Bonds (367)	Medical Care Facility Bonds (305)	Mental Health Building Bonds (392)	Total
Assets				
Cash and cash equivalents	\$ 382,531	\$ 158,340	\$ 278,625	\$ 819,496
Accounts receivable	-	4	-	4
Due from other governments	47,250	-	-	47,250
Total assets	<u>\$ 429,781</u>	<u>\$ 158,344</u>	<u>\$ 278,625</u>	<u>\$ 866,750</u>
Fund balances				
Restricted	\$ -	\$ 158,344	\$ 278,625	\$ 436,969
Committed	429,781	-	-	429,781
Total fund balances	<u>\$ 429,781</u>	<u>\$ 158,344</u>	<u>\$ 278,625</u>	<u>\$ 866,750</u>

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended September 30, 2019

	Jail Bonds (367)	Medical Care Facility Bonds (305)	Mental Health Building Bonds (392)	Total
Revenues				
Taxes	\$ -	\$ 589,714	\$ -	\$ 589,714
Intergovernmental:				
State	-	29,492	-	29,492
Local	-	-	97,199	97,199
Charges for services	574,875	-	-	574,875
Interest	-	4,043	-	4,043
Total revenues	574,875	623,249	97,199	1,295,323
Expenditures				
Debt service:				
Principal	450,000	570,000	59,000	1,079,000
Interest	147,971	69,421	25,199	242,591
Total expenditures	597,971	639,421	84,199	1,321,591
Net change in fund balances	(23,096)	(16,172)	13,000	(26,268)
Fund balances, beginning of year	452,877	174,516	265,625	893,018
Fund balances, end of year	\$ 429,781	\$ 158,344	\$ 278,625	\$ 866,750

This page intentionally left blank.

NONMAJOR ENTERPRISE FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

September 30, 2019

	2017 Delinquent Tax (516172)	2019 Delinquent Tax (516192)	PRE Audit (530)
Assets			
Current assets:			
Cash and cash equivalents	\$ 50,145	\$ 12,000	\$ 184,767
Accounts receivable	-	-	-
Delinquent taxes receivable	740,218	11,886	-
Prepays	2,227	-	-
Total current assets	<u>792,590</u>	<u>23,886</u>	<u>184,767</u>
Noncurrent assets:			
Capital assets being depreciated, net	-	-	-
Total assets	<u>792,590</u>	<u>23,886</u>	<u>184,767</u>
Liabilities (all current)			
Accounts payable	2	11,886	123,294
Due to other funds	200,000	12,000	-
Total liabilities (all current)	<u>200,002</u>	<u>23,886</u>	<u>123,294</u>
Net position			
Investment in capital assets	-	-	-
Unrestricted	592,588	-	61,473
Total net position	<u>\$ 592,588</u>	<u>\$ -</u>	<u>\$ 61,473</u>



Building Authority (569)	Jail Commissary (595)	Total
\$ 185,853	\$ 428,310	\$ 861,075
-	25,865	25,865
-	-	752,104
-	-	2,227
<u>185,853</u>	<u>454,175</u>	<u>1,641,271</u>
-	5,766	5,766
<u>185,853</u>	<u>459,941</u>	<u>1,647,037</u>
-	2,370	137,552
-	-	212,000
<u>-</u>	<u>2,370</u>	<u>349,552</u>
-	5,766	5,766
<u>185,853</u>	<u>451,805</u>	<u>1,291,719</u>
<u>\$ 185,853</u>	<u>\$ 457,571</u>	<u>\$ 1,297,485</u>

COUNTY OF NEWAYGO, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2019

	2017 Delinquent Tax (516172)	2019 Delinquent Tax (516192)	PRE Audit (530)
Operating revenues			
Charges for services	\$ -	\$ -	\$ -
Rentals	-	-	-
Interest and penalties on delinquent taxes	224,503	-	-
Reimbursements	-	-	-
	<hr/>	<hr/>	<hr/>
Total operating revenues	224,503	-	-
Operating expense			
Supplies and operating expenses	4,456	-	1,436
Depreciation	-	-	-
	<hr/>	<hr/>	<hr/>
Total operating expense	4,456	-	1,436
Operating income (loss)	220,047	-	(1,436)
Nonoperating revenues			
Interest revenue	223	-	8,274
	<hr/>	<hr/>	<hr/>
Income before transfers	220,270	-	6,838
Transfers			
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Change in net position	220,270	-	6,838
Net position, beginning of year	372,318	-	54,635
	<hr/>	<hr/>	<hr/>
Net position, end of year	\$ 592,588	\$ -	\$ 61,473
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



Building Authority (569)	Jail Commissary (595)	Total
\$ -	\$ 279,237	\$ 279,237
106,104	-	106,104
-	-	224,503
-	8,901	8,901
<u>106,104</u>	<u>288,138</u>	<u>618,745</u>
65,377	103,159	174,428
-	1,569	1,569
<u>65,377</u>	<u>104,728</u>	<u>175,997</u>
40,727	183,410	442,748
-	5,273	13,770
<u>40,727</u>	<u>188,683</u>	<u>456,518</u>
<u>(25,000)</u>	<u>(76,500)</u>	<u>(101,500)</u>
15,727	112,183	355,018
<u>170,126</u>	<u>345,388</u>	<u>942,467</u>
<u>\$ 185,853</u>	<u>\$ 457,571</u>	<u>\$ 1,297,485</u>

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2019

	2017 Delinquent Tax (516172)	2019 Delinquent Tax (516192)	PRE Audit (530)
Cash flows from operating activities			
Receipts from customers and users	\$ 1,774,049	\$ 11,886	19,752
Payments to vendors	(4,456)	(11,886)	-
Net cash provided by operating activities	<u>1,769,593</u>	<u>-</u>	<u>19,752</u>
Cash flows from noncapital financing activities			
Cash received from interfund loan	-	12,000	-
Cash paid for interfund loan	(1,850,000)	-	-
Transfers out	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(1,850,000)</u>	<u>12,000</u>	<u>-</u>
Cash flows from investing activities			
Interest received	<u>223</u>	<u>-</u>	<u>8,274</u>
Net change in cash and cash equivalents	(80,184)	12,000	28,026
Cash and cash equivalents, beginning of year	<u>130,329</u>	<u>-</u>	<u>156,741</u>
Cash and cash equivalents, end of year	<u>\$ 50,145</u>	<u>\$ 12,000</u>	<u>\$ 184,767</u>



Building Authority (569)	Jail Commissary (595)	Total
\$ 106,104 (67,049)	\$ 300,979 (105,167)	\$ 2,212,770 (188,558)
<u>39,055</u>	<u>195,812</u>	<u>2,024,212</u>
-	-	12,000
-	-	(1,850,000)
<u>(25,000)</u>	<u>(76,500)</u>	<u>(101,500)</u>
<u>(25,000)</u>	<u>(76,500)</u>	<u>(1,939,500)</u>
-	5,273	13,770
14,055	124,585	98,482
<u>171,798</u>	<u>303,725</u>	<u>762,593</u>
<u>\$ 185,853</u>	<u>\$ 428,310</u>	<u>\$ 861,075</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2019

	2017 Delinquent Tax (516172)	2019 Delinquent Tax (516192)	PRE Audit (530)
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 220,047	\$ -	\$ (1,436)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	-	-	-
Change in operating assets and liabilities:			
Accounts receivable	-	-	-
Delinquent taxes receivable	1,546,976	(11,886)	-
Prepays	(2,227)	-	-
Accounts payable	4,797	11,886	21,188
	<u>4,797</u>	<u>11,886</u>	<u>21,188</u>
Net cash provided by operating activities	<u>\$ 1,769,593</u>	<u>\$ -</u>	<u>\$ 19,752</u>



Building Authority (569)	Jail Commissary (595)	Total
\$ 40,727	\$ 183,410	\$ 442,748
-	1,569	1,569
-	12,536	12,536
-	-	1,535,090
-	305	(1,922)
<u>(1,672)</u>	<u>(2,008)</u>	<u>34,191</u>
<u>\$ 39,055</u>	<u>\$ 195,812</u>	<u>\$ 2,024,212</u>

concluded

This page intentionally left blank.

INTERNAL SERVICE FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position Internal Service Funds September 30, 2019

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
Assets			
Current assets:			
Cash and cash equivalents	\$ 138,802	\$ 76,851	\$ 74,867
Accounts receivable	-	-	584
Prepays	-	-	10,662
Total current assets	<u>138,802</u>	<u>76,851</u>	<u>86,113</u>
Noncurrent assets –			
Capital assets being depreciated, net	<u>17,222</u>	<u>-</u>	<u>-</u>
Total assets	<u>156,024</u>	<u>76,851</u>	<u>86,113</u>
Liabilities			
Current liabilities:			
Accounts payable	20,930	31	-
Accrued expenses	5,223	3,152	-
Due to other funds	-	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>26,153</u>	<u>3,183</u>	<u>-</u>
Noncurrent liabilities –			
Long-term debt, net of current portion	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>26,153</u>	<u>3,183</u>	<u>-</u>
Net position			
Investment in capital assets	17,222	-	-
Unrestricted	<u>112,649</u>	<u>73,668</u>	<u>86,113</u>
Total net position	<u>\$ 129,871</u>	<u>\$ 73,668</u>	<u>\$ 86,113</u>

Information Services (636)	Drain Maintenance / Construction (638)	Duplicating (645)	Telephone System (656)	Motor Pool (661)
\$ 123,434	\$ 136,101	\$ 156,727	\$ 61,534	\$ 183,038
1,005	-	-	-	-
28,882	1,225	1,200	1,122	-
<u>153,321</u>	<u>137,326</u>	<u>157,927</u>	<u>62,656</u>	<u>183,038</u>
<u>123,272</u>	<u>82,699</u>	<u>41,703</u>	<u>93,139</u>	<u>36,346</u>
<u>276,593</u>	<u>220,025</u>	<u>199,630</u>	<u>155,795</u>	<u>219,384</u>
43,760	449	1,877	733	861
1,301	-	-	-	-
-	35,675	73	-	-
-	-	-	-	-
<u>45,061</u>	<u>36,124</u>	<u>1,950</u>	<u>733</u>	<u>861</u>
<u>45,061</u>	<u>36,124</u>	<u>1,950</u>	<u>733</u>	<u>861</u>
123,272	82,699	41,703	93,139	36,346
<u>108,260</u>	<u>101,202</u>	<u>155,977</u>	<u>61,923</u>	<u>182,177</u>
<u>\$ 231,532</u>	<u>\$ 183,901</u>	<u>\$ 197,680</u>	<u>\$ 155,062</u>	<u>\$ 218,523</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position Internal Service Funds September 30, 2019

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
Assets			
Current assets:			
Cash and cash equivalents	\$ 66,311	\$ 1,203,846	\$ 350,872
Accounts receivable	-	442,135	-
Prepays	-	134,365	50,596
Total current assets	<u>66,311</u>	<u>1,780,346</u>	<u>401,468</u>
Noncurrent assets –			
Capital assets being depreciated, net	-	-	-
Total assets	<u>66,311</u>	<u>1,780,346</u>	<u>401,468</u>
Liabilities			
Current liabilities:			
Accounts payable	-	51,337	111,114
Accrued expenses	468	3,612	-
Due to other funds	-	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>468</u>	<u>54,949</u>	<u>111,114</u>
Noncurrent liabilities –			
Long-term debt, net of current portion	-	-	-
Total liabilities	<u>468</u>	<u>54,949</u>	<u>111,114</u>
Net position			
Investment in capital assets	-	-	-
Unrestricted	<u>65,843</u>	<u>1,725,397</u>	<u>290,354</u>
Total net position	<u>\$ 65,843</u>	<u>\$ 1,725,397</u>	<u>\$ 290,354</u>

Workers' Compensation (696)	Retiree Health Insurance (7311)	Retirement (731)	Unused Sick and Vacation (730)	Total
\$ 111,742	\$ -	\$ 1,381,375	\$ 636,935	\$ 4,702,435
-	-	-	-	443,724
71,676	-	-	-	299,728
<u>183,418</u>	<u>-</u>	<u>1,381,375</u>	<u>636,935</u>	<u>5,445,887</u>
-	-	-	-	394,381
<u>183,418</u>	<u>-</u>	<u>1,381,375</u>	<u>636,935</u>	<u>5,840,268</u>
-	-	-	-	231,092
2,152	-	-	1,297	17,205
-	-	-	-	35,748
-	-	-	80,517	80,517
<u>2,152</u>	<u>-</u>	<u>-</u>	<u>81,814</u>	<u>364,562</u>
-	-	-	383,269	383,269
<u>2,152</u>	<u>-</u>	<u>-</u>	<u>465,083</u>	<u>747,831</u>
-	-	-	-	394,381
<u>181,266</u>	<u>-</u>	<u>1,381,375</u>	<u>171,852</u>	<u>4,698,056</u>
<u>\$ 181,266</u>	<u>\$ -</u>	<u>\$ 1,381,375</u>	<u>\$ 171,852</u>	<u>\$ 5,092,437</u>

concluded

COUNTY OF NEWAYGO, MICHIGAN

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

Internal Service Funds

For the Year Ended September 30, 2019

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
Operating revenues			
Charges for services	\$ 662,888	\$ 217,974	\$ 2,267
Reimbursements	-	-	-
Total operating revenues	662,888	217,974	2,267
Operating expense			
Supplies and operating expenses	643,994	196,238	3,606
Depreciation	1,212	-	-
Total operating expense	645,206	196,238	3,606
Operating income (loss)	17,682	21,736	(1,339)
Nonoperating revenues			
Interest income	-	-	-
Gain on sale of capital assets	-	-	-
Insurance pool distribution	-	-	-
Total nonoperating revenues	-	-	-
Income (loss) before transfers	17,682	21,736	(1,339)
Transfers			
Transfers in	-	-	-
Transfers out	-	-	-
Total transfers	-	-	-
Change in net position	17,682	21,736	(1,339)
Net position, beginning of year	112,189	51,932	87,452
Net position, end of year	\$ 129,871	\$ 73,668	\$ 86,113

Information Services (636)	Drain Maintenance / Construction (638)	Duplicating (645)	Telephone System (656)	Motor Pool (661)
\$ 412,295	\$ 161,802	\$ 93,374	\$ 64,601	\$ 40,117
-	-	-	-	-
412,295	161,802	93,374	64,601	40,117
385,012	153,313	22,434	28,762	21,378
38,738	16,388	22,815	14,706	64,824
423,750	169,701	45,249	43,468	86,202
(11,455)	(7,899)	48,125	21,133	(46,085)
-	7,413	-	-	-
-	3,511	-	-	28,373
-	-	-	-	-
-	10,924	-	-	28,373
(11,455)	3,025	48,125	21,133	(17,712)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(11,455)	3,025	48,125	21,133	(17,712)
242,987	180,876	149,555	133,929	236,235
\$ 231,532	\$ 183,901	\$ 197,680	\$ 155,062	\$ 218,523

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenses and Change in Fund Net Position
 Internal Service Funds
 For the Year Ended September 30, 2019

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
Operating revenues			
Charges for services	\$ -	\$ -	\$ -
Reimbursements	36,348	3,331,706	289,350
Total operating revenues	36,348	3,331,706	289,350
Operating expense			
Supplies and operating expenses	31,743	3,421,442	398,345
Depreciation	-	-	-
Total operating expense	31,743	3,421,442	398,345
Operating income (loss)	4,605	(89,736)	(108,995)
Nonoperating revenues			
Interest income	-	-	-
Gain on sale of capital assets	-	-	-
Insurance pool distribution	-	-	170,488
Total nonoperating revenues	-	-	170,488
Income (loss) before transfers	4,605	(89,736)	61,493
Transfers			
Transfers in	-	1,069,269	-
Transfers out	-	-	-
Total transfers	-	1,069,269	-
Change in net position	4,605	979,533	61,493
Net position, beginning of year	61,238	745,864	228,861
Net position, end of year	\$ 65,843	\$ 1,725,397	\$ 290,354

Workers' Compensation (696)	Retiree Health Insurance (7311)	Retirement (731)	Unused Sick and Vacation (730)	Total
\$ -	\$ -	\$ 2,710,668	\$ 223,836	\$ 4,589,822
272,587	-	-	126,643	4,056,634
272,587	-	2,710,668	350,479	8,646,456
388,317	-	2,095,635	308,701	8,098,920
-	-	-	-	158,683
388,317	-	2,095,635	308,701	8,257,603
(115,730)	-	615,033	41,778	388,853
-	-	-	-	7,413
-	-	-	-	31,884
89,930	-	-	-	260,418
89,930	-	-	-	299,715
(25,800)	-	615,033	41,778	688,568
-	-	-	-	1,069,269
-	(1,069,269)	-	-	(1,069,269)
-	(1,069,269)	-	-	-
(25,800)	(1,069,269)	615,033	41,778	688,568
207,066	1,069,269	766,342	130,074	4,403,869
\$ 181,266	\$ -	\$ 1,381,375	\$ 171,852	\$ 5,092,437

concluded

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended September 30, 2019

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
Cash flows from operating activities			
Receipts from interfund services	\$ 662,888	\$ 217,974	\$ 1,683
Payments to vendors	(333,031)	(18,892)	(4,453)
Payments for personnel services	(302,414)	(178,735)	-
	<u>27,443</u>	<u>20,347</u>	<u>(2,770)</u>
Net cash provided by (used in) operating activities			
Cash flows from noncapital financing activities			
Transfers in	-	-	-
Transfers out	-	-	-
Insurance pool distribution	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	(17,366)	-	-
	<u>(17,366)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	<u>(17,366)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest received on investments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	10,077	20,347	(2,770)
Cash and cash equivalents, beginning of year	<u>128,725</u>	<u>56,504</u>	<u>77,637</u>
Cash and cash equivalents, end of year	<u>\$ 138,802</u>	<u>\$ 76,851</u>	<u>\$ 74,867</u>

Information Services (636)	Drain Maintenance / Construction (638)	Duplicating (645)	Telephone System (656)	Motor Pool (661)
\$ 411,290 (306,715) (91,128)	\$ 163,283 (154,615) -	\$ 93,538 (18,922) (2,459)	\$ 64,601 (29,031) (5,410)	\$ 45,717 (20,656) -
<u>13,447</u>	<u>8,668</u>	<u>72,157</u>	<u>30,160</u>	<u>25,061</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3,511 (20,390)	-	-	28,373 -
-	<u>(16,879)</u>	-	-	<u>28,373</u>
-	7,413	-	-	-
13,447	(798)	72,157	30,160	53,434
<u>109,987</u>	<u>136,899</u>	<u>84,570</u>	<u>31,374</u>	<u>129,604</u>
<u>\$ 123,434</u>	<u>\$ 136,101</u>	<u>\$ 156,727</u>	<u>\$ 61,534</u>	<u>\$ 183,038</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended September 30, 2019

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
Cash flows from operating activities			
Receipts from interfund services	\$ 36,348	\$ 2,939,751	\$ 292,624
Payments to vendors	(5,401)	(3,671,399)	(420,671)
Payments for personnel services	(26,254)	(72,108)	-
Net cash provided by (used in) operating activities	4,693	(803,756)	(128,047)
Cash flows from noncapital financing activities			
Transfers in	-	1,069,269	-
Transfers out	-	-	-
Insurance pool distribution	-	-	170,488
Net cash provided by (used in) noncapital financing activities	-	1,069,269	170,488
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	-
Cash flows from investing activities			
Interest received on investments	-	-	-
Net change in cash and cash equivalents	4,693	265,513	42,441
Cash and cash equivalents, beginning of year	61,618	938,333	308,431
Cash and cash equivalents, end of year	\$ 66,311	\$ 1,203,846	\$ 350,872

Workers' Compensation (696)	Retiree Health Insurance (7311)	Retirement (731)	Unused Sick and Vacation (730)	Total
\$ 272,587	\$ -	\$ 2,710,668	\$ 374,363	\$ 8,287,315
(287,545)	-	(1,130)	(54,990)	(5,327,451)
(112,908)	-	(2,094,505)	(277,431)	(3,163,352)
(127,866)	-	615,033	41,942	(203,488)
-	-	-	-	1,069,269
-	(1,069,269)	-	-	(1,069,269)
89,930	-	-	-	260,418
89,930	(1,069,269)	-	-	260,418
-	-	-	-	31,884
-	-	-	-	(37,756)
-	-	-	-	(5,872)
-	-	-	-	7,413
(37,936)	(1,069,269)	615,033	41,942	58,471
149,678	1,069,269	766,342	594,993	4,643,964
\$ 111,742	\$ -	\$ 1,381,375	\$ 636,935	\$ 4,702,435

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2019

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 17,682	\$ 21,736	\$ (1,339)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	1,212	-	-
Change in operating assets and liabilities:			
Accounts receivable	-	-	(584)
Due from other funds	-	-	-
Prepays	-	-	(847)
Accounts payable	7,741	(1,469)	-
Accrued expenses	808	80	-
Due to other funds	-	-	-
Compensated absences	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 27,443</u>	<u>\$ 20,347</u>	<u>\$ (2,770)</u>



Information Services (636)	Drain Maintenance / Construction (638)	Duplicating (645)	Telephone System (656)	Motor Pool (661)
\$ (11,455)	\$ (7,899)	\$ 48,125	\$ 21,133	\$ (46,085)
38,738	16,388	22,815	14,706	64,824
(1,005)	-	91	-	5,600
-	-	73	-	-
(20,312)	(1,225)	-	-	-
7,886	(77)	1,277	(5,489)	722
(405)	-	(224)	(190)	-
-	1,481	-	-	-
-	-	-	-	-
<u>\$ 13,447</u>	<u>\$ 8,668</u>	<u>\$ 72,157</u>	<u>\$ 30,160</u>	<u>\$ 25,061</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended September 30, 2019

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 4,605	\$ (89,736)	\$ (108,995)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	-
Change in operating assets and liabilities:			
Accounts receivable	-	(391,955)	3,274
Due from other funds	-	-	-
Prepays	-	(267)	20,880
Accounts payable	-	(321,899)	(43,206)
Accrued expenses	88	101	-
Due to other funds	-	-	-
Compensated absences	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 4,693</u>	<u>\$ (803,756)</u>	<u>\$ (128,047)</u>



Workers' Compensation (696)	Retiree Health Insurance (7311)	Retirement (731)	Unused Sick and Vacation (730)	Total
\$ (115,730)	\$ -	\$ 615,033	\$ 41,778	\$ 388,853
-	-	-	-	158,683
-	-	-	-	(384,579)
-	-	-	23,884	23,957
(12,576)	-	-	-	(14,347)
-	-	-	(331)	(354,845)
440	-	-	(19,602)	(18,904)
-	-	-	-	1,481
-	-	-	(3,787)	(3,787)
<u>\$ (127,866)</u>	<u>\$ -</u>	<u>\$ 615,033</u>	<u>\$ 41,942</u>	<u>\$ (203,488)</u>

concluded

This page intentionally left blank.

AGENCY FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds
September 30, 2019

	Central Payroll Processing (115)	Central Accounts Payable (125)	Trust and Agency (701)	Trust and Agency Outside Accounts (702)
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 5,540,700	\$ 61,410
Liabilities				
Accounts payable	\$ -	\$ -	\$ 200,788	\$ 61,410
Due to other governments	-	-	5,339,912	-
Undistributed receipts	-	-	-	-
Total liabilities	\$ -	\$ -	\$ 5,540,700	\$ 61,410



Library Penal (721)	Total
<u>\$ 123,057</u>	<u>\$ 5,725,167</u>
\$ -	\$ 262,198
-	5,339,912
<u>123,057</u>	<u>123,057</u>
<u>\$ 123,057</u>	<u>\$ 5,725,167</u>

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Central Payroll Processing</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 5,786,118	\$ 5,786,118	\$ -
Liabilities				
Accounts payable	\$ -	\$ 591,716	\$ 591,716	\$ -
Due to other governments	-	2,622,481	2,622,481	-
Undistributed receipts	-	2,571,921	2,571,921	-
Total liabilities	\$ -	\$ 5,786,118	\$ 5,786,118	\$ -
<u>Central Accounts Payable</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 20,432,478	\$ 20,432,478	\$ -
Liabilities				
Accounts payable	\$ -	\$ 20,432,478	\$ 20,432,478	\$ -
<u>Trust and Agency</u>				
Assets				
Cash and cash equivalents	\$ 3,328,789	\$ 12,160,019	\$ 9,948,108	\$ 5,540,700
Due from other governments	427	-	427	-
Total assets	\$ 3,329,216	\$ 12,160,019	\$ 9,948,535	\$ 5,540,700
Liabilities				
Accounts payable	\$ 206,943	\$ 611,400	\$ 617,555	\$ 200,788
Due to other governments	3,122,273	11,548,619	9,330,980	5,339,912
Total liabilities	\$ 3,329,216	\$ 12,160,019	\$ 9,948,535	\$ 5,540,700

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Trust and Agency Outside Accounts</u>				
Assets				
Cash and cash equivalents	\$ 54,258	\$ 32,078	\$ 24,926	\$ 61,410
Liabilities				
Accounts payable	\$ 54,258	\$ 32,078	\$ 24,926	\$ 61,410
<u>Library Penal Fine</u>				
Assets				
Cash and cash equivalents	\$ 120,081	\$ 185,612	\$ 182,636	\$ 123,057
Liabilities				
Undistributed receipts	\$ 120,081	\$ 185,612	\$ 182,636	\$ 123,057
<u>Total All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 3,503,128	\$ 38,596,305	\$ 36,374,266	\$ 5,725,167
Due from other governments	427	-	427	-
Total assets	\$ 3,503,555	\$ 38,596,305	\$ 36,374,693	\$ 5,725,167
Liabilities				
Accounts payable	\$ 261,201	\$ 21,667,672	\$ 21,666,675	\$ 262,198
Due to other governments	3,122,273	14,171,100	11,953,461	5,339,912
Undistributed receipts	120,081	2,757,533	2,754,557	123,057
Total liabilities	\$ 3,503,555	\$ 38,596,305	\$ 36,374,693	\$ 5,725,167

concluded

This page intentionally left blank.

COMPONENT UNITS

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Drain Commissioner Component Unit

September 30, 2019

	Drain (801xxx)	Drain Revolving (802xxx)	Brooks Lake Board (845)	Hess Lake Improvement (846)
Assets				
Cash and cash equivalents	\$ 560,045	\$ 34,920	\$ 77,522	\$ 57,656
Special assessments receivable	1,419,985	-	40,000	45,000
Due from other funds	-	265,346	-	-
Total assets	\$ 1,980,030	\$ 300,266	\$ 117,522	\$ 102,656
Liabilities				
Accounts payable	\$ 11,012	\$ 266	\$ -	\$ 5,180
Due to other funds	265,346	-	-	-
Advance from primary government	-	300,000	-	-
Total liabilities	276,358	300,266	-	5,180
Deferred inflows of resources				
Unavailable revenues - special assessments	1,419,985	-	40,000	45,000
Fund balances				
Restricted for drain maintenance and construction	283,687	-	77,522	52,476
Restricted for debt service	-	-	-	-
Total fund balances	283,687	-	77,522	52,476
Total liabilities, deferred inflows of resources and fund balances	\$ 1,980,030	\$ 300,266	\$ 117,522	\$ 102,656

Diamond Lake Board (847)	Pickeral and Kimball Lakes Board (848)	Ryerson Lake Board (849)	Engel Wright Lake Board (850)	Drain Debt Service (851)	Total
\$ 20,435	\$ 62,731	\$ 30,719	\$ 14,814	\$ 51,745	\$ 910,587
30,000	82,800	33,000	10,800	-	1,661,585
-	-	-	-	-	265,346
<u>\$ 50,435</u>	<u>\$ 145,531</u>	<u>\$ 63,719</u>	<u>\$ 25,614</u>	<u>\$ 51,745</u>	<u>\$ 2,837,518</u>
\$ -	\$ 4,625	\$ 3,375	\$ -	\$ -	\$ 24,458
-	-	-	-	-	265,346
-	-	-	-	-	300,000
-	4,625	3,375	-	-	589,804
30,000	82,800	33,000	10,800	-	1,661,585
20,435	58,106	27,344	14,814	-	534,384
-	-	-	-	51,745	51,745
20,435	58,106	27,344	14,814	51,745	586,129
<u>\$ 50,435</u>	<u>\$ 145,531</u>	<u>\$ 63,719</u>	<u>\$ 25,614</u>	<u>\$ 51,745</u>	<u>\$ 2,837,518</u>

This page intentionally left blank.

COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
Drain Commissioner Component Unit
September 30, 2019

Fund balances - total governmental funds \$ 586,129

Amounts reported for the *component unit* 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 statement.

Capital assets not being depreciated	65,350
Capital assets being depreciated, net	1,109,909

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

Deferred inflows of resources for special assessments receivable	1,661,585
--	-----------

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

Long-term debt	(1,070,000)
Premium on long-term debt	(21,652)

Net position of governmental activities \$ 2,331,321

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances
 Drain Commissioner Component Unit
 For the Year Ended September 30, 2019

	Drain (801xxx)	Drain Revolving (802xxx)	Brooks Lake Board (845)	Hess Lake Improvement (846)
Revenues				
Special assessments	\$ 255,020	\$ -	\$ -	\$ 45,000
Unrestricted investment earnings	2,017	-	-	-
Total revenues	<u>257,037</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
Expenditures				
Current - public works	848,951	-	12,754	31,120
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	<u>848,951</u>	<u>-</u>	<u>12,754</u>	<u>31,120</u>
Net change in fund balances	(591,914)	-	(12,754)	13,880
Fund balances, beginning of year	<u>875,601</u>	<u>-</u>	<u>90,276</u>	<u>38,596</u>
Fund balances, end of year	<u>\$ 283,687</u>	<u>\$ -</u>	<u>\$ 77,522</u>	<u>\$ 52,476</u>

Diamond Lake Board (847)	Pickeral and Kimball Lakes Board (848)	Ryerson Lake Board (849)	Engel Wright Lake Board (850)	Drain Debt Service (851)	Total
\$ 30,000	\$ 82,800	\$ 33,000	\$ 10,800	\$ 86,305	\$ 542,925
-	-	-	-	-	2,017
<u>30,000</u>	<u>82,800</u>	<u>33,000</u>	<u>10,800</u>	<u>86,305</u>	<u>544,942</u>
17,705	42,457	40,915	11,992	-	1,005,894
-	-	-	-	20,000	20,000
-	-	-	-	42,935	42,935
<u>17,705</u>	<u>42,457</u>	<u>40,915</u>	<u>11,992</u>	<u>62,935</u>	<u>1,068,829</u>
12,295	40,343	(7,915)	(1,192)	23,370	(523,887)
<u>8,140</u>	<u>17,763</u>	<u>35,259</u>	<u>16,006</u>	<u>28,375</u>	<u>1,110,016</u>
<u>\$ 20,435</u>	<u>\$ 58,106</u>	<u>\$ 27,344</u>	<u>\$ 14,814</u>	<u>\$ 51,745</u>	<u>\$ 586,129</u>

This page intentionally left blank.

COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
Drain Commissioner Component Unit
For the Year Ended September 30, 2019

Net change in fund balances - total governmental funds \$ (523,887)

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

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

Capital assets purchased / constructed	526,892
Depreciation expense	(66,929)

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

Change in deferred inflows of resources for special assessments receivable	(75,448)
--	----------

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

Principal payments on long-term debt	20,000
Amortization of premium on long-term debt	1,165

Change in net position of governmental activities \$ (118,207)

COUNTY OF NEWAYGO, MICHIGAN

Balance Sheet / Statement of Net Position

Brownfield Redevelopment Authority Component Unit

September 30, 2019

	Governmental Fund (243)	Adjustments	Statement of Activities
Assets			
Cash and cash equivalents	\$ 87,337	\$ -	\$ 87,337
Liabilities			
Accounts payable	\$ 4,726	-	4,726
Fund balance			
Unassigned	82,611	(82,611)	
Total liabilities and fund balances	\$ 87,337		
Net position			
Unrestricted		\$ 82,611	\$ 82,611

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balances /

Statement of Activities

Brownfield Redevelopment Authority Component Unit

For the Year Ended September 30, 2019

	Governmental Fund (243)	Adjustments	Statement of Net Position
Revenues			
Property taxes	\$ 11,689	\$ -	\$ 11,689
Intergovernmental - state	430	-	430
Total revenues	12,119	-	12,119
Expenditures / expenses			
Community and economic development	17,182	-	17,182
Net change in fund balance / net position	(5,063)	-	(5,063)
Fund balance/net position, beginning of year	87,674	-	87,674
Fund balance/net position, end of year	\$ 82,611	\$ -	\$ 82,611