

County of
Newaygo, Michigan



Year Ended
September 30,
2021

Financial
Statements

Rehmann

COUNTY OF NEWAYGO, MICHIGAN

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COUNTY OF NEWAYGO, MICHIGAN

ELECTED OFFICIALS

For the Year Ended September 30, 2021

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
Jason O'Connell, Treasurer
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

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INDEPENDENT AUDITORS' REPORT

March 17, 2022

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the 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	73.0%	74.2%	56.2%
Newaygo Medical Care Facility	18.5%	20.3%	36.2%

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.

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, 2021, 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.

Implementation of GASB Statement No. 84

As described in Note 19, the County implemented the provisions of GASB statement No. 84, *Fiduciary Activities*, in the current year. Accordingly, beginning net position of the fiduciary funds was restated. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules for the pension and other postemployment 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, under separate cover, our report dated March 17, 2022, 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.

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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, 2021.

Financial Highlights

1. The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the 2021 fiscal year by \$48,885,543 (*net position*). Of this amount, \$35,813,469 (*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 2021 fiscal year, fund balance for the general fund was \$6,383,697 or 46.5% 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
2021	\$ 6,383,697	46.5%
2020	5,494,341	39.9%
2019	4,972,741	34.7%
2018	4,360,039	32.3%
2017	3,835,286	28.4%

3. The general fund for 2021 increased fund balance by \$889,356 applying the Non-GAAP Budgetary Basis and \$1,164,972 according to the GAAP Basis.
4. Within the general fund, fund balance is classified as follows: \$344,620 nonspendable, \$103,510 restricted, \$63,023 committed, and \$222,210 assigned. The remaining \$5,650,334 is available as unassigned fund balance (Non-GAAP Budgetary Basis). Unassigned fund balance as a percentage of expenditures and transfers out was 41.1%.
5. At the end of the 2021 fiscal year, fund balance for the general fund according to the GAAP Basis was \$5,709,275. Of this amount, \$4,975,912 is available as unassigned fund balance. Unassigned fund balance as a percentage of expenditures and transfers out was 36.2%.
6. As of the close of the 2021 fiscal year, the County's governmental funds reported combined ending fund balances of \$16,130,435. This amount is a \$1,783,596 increase over the previous year. \$12,850,838 or 79.7% of the total is available for spending at the government's discretion (committed, assigned, and unassigned).
7. The County's financial statements classify 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.

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.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

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.

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, American rescue plan 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.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

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, sanitary sewer construction for other local units, compliance with public act 123, 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 2018 and prior delinquent tax fund, 2020 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 \$48,885,543 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 30,995,371	\$ 24,210,648	\$ 21,959,534	\$ 20,861,371	\$ 52,954,905	\$ 45,072,019
Capital assets, net	14,392,550	14,988,092	178,060	4,198	14,570,610	14,992,290
Total assets	45,387,921	39,198,740	22,137,594	20,865,569	67,525,515	60,064,309
Deferred outflows of resources						
	1,013,690	1,006,255	5,839	15,841	1,019,529	1,022,096
Liabilities						
Long-term debt	5,988,250	6,967,798	478,030	900,339	6,466,280	7,868,137
Other liabilities	10,878,084	6,258,421	38,449	39,607	10,916,533	6,298,028
Total liabilities	16,866,334	13,226,219	516,479	939,946	17,382,813	14,166,165
Deferred inflows of resources						
	2,276,688	1,338,381	-	-	2,276,688	1,338,381
Net position						
Net investment in capital assets	9,000,570	8,612,135	178,060	4,198	9,178,630	8,616,333
Restricted	3,187,457	2,755,545	705,987	581,791	3,893,444	3,337,336
Unrestricted	15,070,562	14,272,715	20,742,907	19,355,475	35,813,469	33,628,190
Total net position	\$ 27,258,589	\$ 25,640,395	\$ 21,626,954	\$ 19,941,464	\$ 48,885,543	\$ 45,581,859

A portion of the County's net position of \$9,178,630 (18.8%) 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 \$3,893,444 (7.9%) represents resources that are subject to external restrictions on how they can be used. The remaining balance of unrestricted net position (\$35,813,469 or 73.3%) 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	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 10,414,021	\$ 10,082,924	\$ 2,372,846	\$ 1,460,163	\$ 12,786,867	\$ 11,543,087
Operating grants	4,808,233	6,225,452	79,450	348,919	4,887,683	6,574,371
General revenues:						
Property taxes	12,562,194	12,198,689	-	-	12,562,194	12,198,689
Unrestricted grants	1,361,972	1,406,788	-	-	1,361,972	1,406,788
Unrestricted investment earnings	29,619	147,615	-	-	29,619	147,615
Gain on sale of capital assets	90,128	-	-	-	90,128	-
Total revenues	29,266,167	30,061,468	2,452,296	1,809,082	31,718,463	31,870,550
Expenses						
General government	2,925,373	3,008,374	-	-	2,925,373	3,008,374
Public safety	11,437,130	10,794,723	-	-	11,437,130	10,794,723
Public works	781,076	714,953	-	-	781,076	714,953
Health and welfare	4,808,717	4,597,415	-	-	4,808,717	4,597,415
Recreation and cultural	1,040,067	1,364,270	-	-	1,040,067	1,364,270
Legislative	347,868	296,890	-	-	347,868	296,890
Judicial	5,669,559	5,160,040	-	-	5,669,559	5,160,040
Community and economic development	743,165	753,666	-	-	743,165	753,666
Interest on long-term debt	174,944	216,154	-	-	174,944	216,154
Delinquent tax admin	-	-	272,618	264,244	272,618	264,244
Public works projects	-	-	2,988	18,229	2,988	18,229
Jail commissary	-	-	161,539	82,383	161,539	82,383
Building authority	-	-	49,735	63,729	49,735	63,729
Total expenses	27,927,899	26,906,485	486,880	428,585	28,414,779	27,335,070
Change in net position, before transfers	1,338,268	3,154,983	1,965,416	1,380,497	3,303,684	4,535,480
Transfers	279,926	288,090	(279,926)	(288,090)	-	-
Change in net position	1,618,194	3,443,073	1,685,490	1,092,407	3,303,684	4,535,480
Net position:						
Beginning of year	25,640,395	22,197,322	19,941,464	18,849,057	45,581,859	41,046,379
End of year	\$ 27,258,589	\$ 25,640,395	\$ 21,626,954	\$ 19,941,464	\$ 48,885,543	\$ 45,581,859

The County's net position increased by \$3,303,684 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 \$1,618,194. This was primarily the result of increased revenues for charges for services and property taxes, as discussed below along with savings within departmental expenditure budgets throughout the fiscal year.

Revenues (Statement of Activities) - Revenues decreased by \$795,301 or 2.6% in 2021 from the prior year. Due to the severity of the coronavirus pandemic experienced in the prior fiscal year (FY 2020), federal funding sources became available in the 2020 fiscal year to assist with the County's response to the COVID-19 crisis. The various programs under the CARES Act provided an inflow of resources in the operating grants and contributions category which were utilized to offset eligible expenses related to the COVID-19 response. The main revenue sources with variances are as follows:

Charges for services. Program charges for services increased by \$331,097 or 3.3%, primarily due to an increase in use and admission fees for the various county parks along with increased collections of fees and real estate transfer tax by the register of deeds office. The parks experienced a \$234,010 increase in charges for services compared to the prior fiscal year. The register of deeds received an additional \$101,429 in charges for services compared to the prior fiscal year.

Operating grants and contributions. Program grant revenue decreased by \$1,417,219 or 22.8%, primarily due to a one time influx of federal funding in the previous fiscal year (FY 2020) under the CARES Act for programs such as the First Responder Hazard Pay Premiums, Public Safety and Public Health Payroll Reimbursement Program, and the Coronavirus Relief Local Government Grants (CRLGG) Program totaling \$1,048,815. The Dragon Trail construction project received a significant inflow of contributions in the prior fiscal year (FY 2020) of \$740,000.

Property taxes. Property taxes increased by \$363,505 or 3.0%. The primary factor related to the increase is taxable values experienced growth of 4.3% rise in 2021.

Unrestricted investment earnings. Unrestricted investment earnings decreased \$117,996 or 79.9%.

Expenses for Governmental Activities (Statement of Activities)

General government. General government activities include expenses related to support departments of the County such as administration, clerk, treasurer, equalization, human resources, 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.

Public works. Public works activities include expenses related to the drain commissioner, board of public works, county drain tax at large, soil erosion/conservation, and recycling.

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 and the Dragon Trail construction project.

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

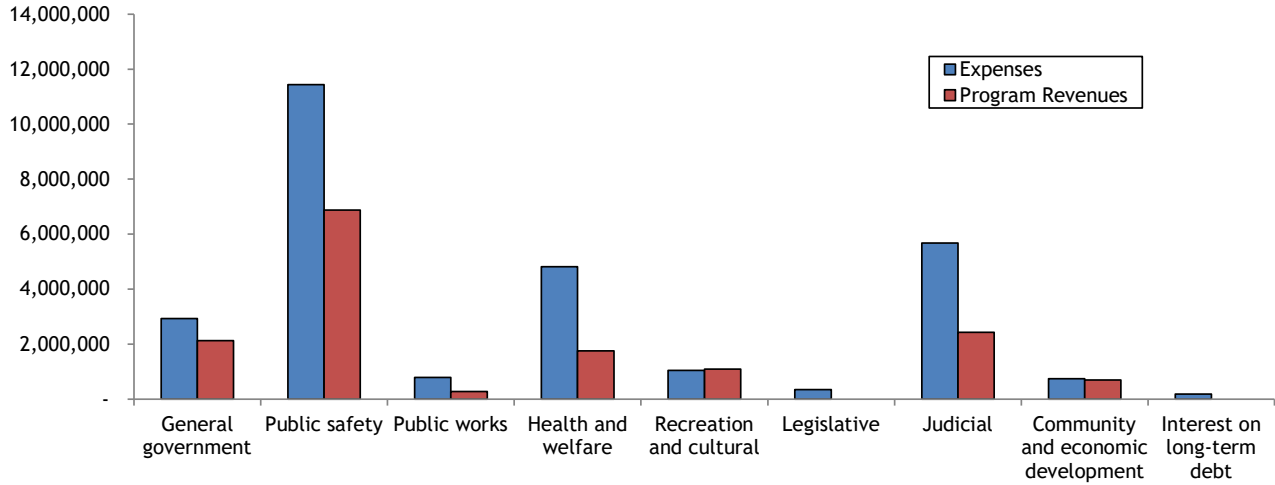
Judicial. Judicial activities include expenses related to the administration of the circuit court/friend of the court, district court, probate court, prosecuting attorney, jury board, county guardian, and the county law library.

COUNTY OF NEWAYGO, MICHIGAN

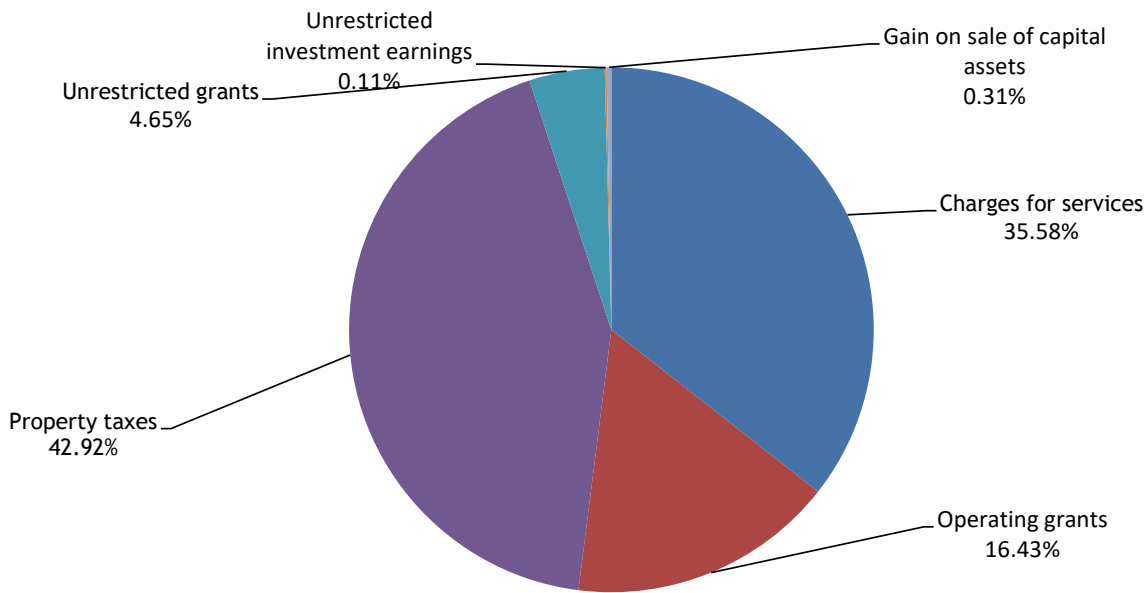
Management's Discussion and Analysis

Community and economic development. Community and economic development activities include expenses related to cooperative extension services, register of deeds, economic development, and land use educator services.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

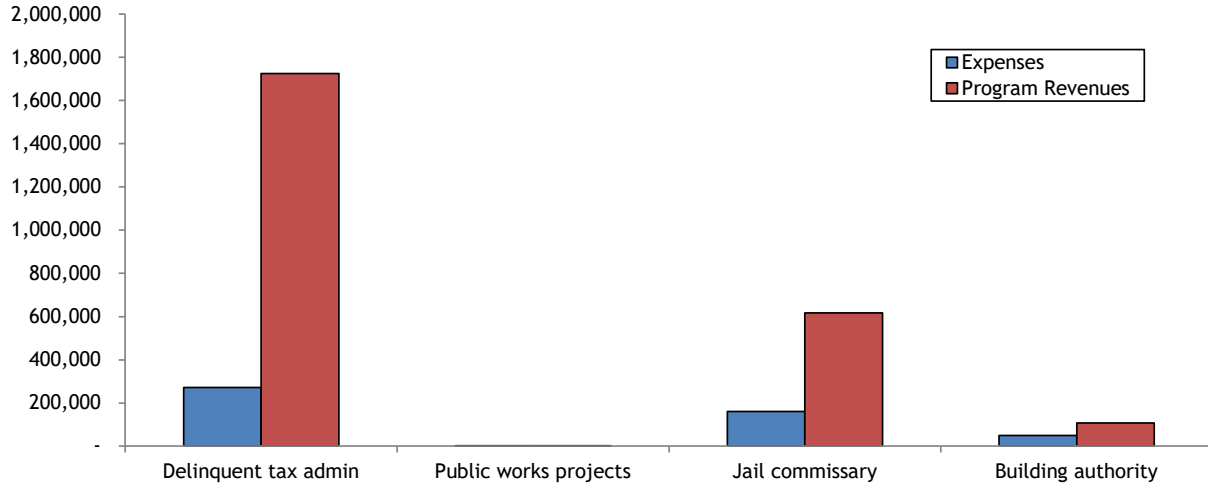


Business-type Activities. Business type activities increased the County's net position by \$1,685,490. The key revenues for the business type activities are penalties and interest on delinquent taxes, proceeds from tax sales, and investment income. The primary reasons for the increase in net position are auction proceeds from the sale of tax delinquent property under Public Act 123, expenses related to delinquent taxes were minimal, and jail commissary sales to inmates experienced significant growth over the prior fiscal year's revenue.

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 2021 include the General Fund, County Jail, American Rescue Plan, Commission on Aging, American Rescue Plan, Delinquent Tax Administration funds, Sanitary Sewer Construction, and P.A. 123 Funds.

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 2021 fiscal year, the County's ending fund balance for the general fund was \$5,709,275. Of that amount \$334,620 is nonspendable, \$103,510 is restricted, \$63,023 is committed, \$222,210 is assigned, and \$4,975,912 is unassigned.

The County jail fund increased its fund balance by \$114,952 from \$651,967 at the beginning of the year to an ending balance of \$766,919. Of that amount, \$63,985 is nonspendable, \$29,550 is restricted, and \$673,384 is committed. No amount is considered assigned at the end of the 2021 fiscal year.

The County's American rescue plan fund received advanced funding of \$4,756,896 from the American Rescue Plan Act which is available for spending in future years. Ending restricted fund balance, related to current year interest earnings, totaled \$1,766.

The Commission on aging fund increased its fund balance by \$615,993 from \$1,747,132 at the beginning of the year to an ending balance of \$2,363,125. Of that amount, \$1,158 was nonspendable, \$577,835 is restricted and \$1,784,132 is assigned.

Nonmajor governmental funds decreased their collective fund balances by \$114,087 from \$7,403,437 at the beginning of the year to an ending balance of \$7,289,350. Of that amount, \$17,956 is nonspendable, \$2,139,217 is restricted, \$2,677,095 is committed, and \$2,455,082 is assigned.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

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

Property taxes. Property taxes totaled \$12,837,810. This amount marked an increase of \$870,191 from the prior year. On a GAAP Basis, property taxes for the general fund increased just over 8.7% or \$720,596. This was primarily due to 2021 taxable value growth of 4.3%, better than estimated 2020 property tax revenues, and the change in deferred inflows of resources related to property taxes from the prior fiscal year.

Charges for services. Charges for services in the governmental funds totaled \$9,842,700. The amount was generated by general fund charges of \$2,551,720, county jail fund charges of \$3,812,491, commission on aging charges of \$139,821, and nonmajor fund charges of \$3,338,668. The total reflected an overall increase of \$381,987 from the previous year. The overall increase is related mainly to additional revenue fund from the register of deeds fees and real estate transfer tax transactions, a change in the accounting method for restitution collected through the courts, and increased use and admission fees for the county parks.

Investment earnings and rentals. Investment earnings and rentals totaled \$154,202. The general fund totaled \$129,073. This amount was a decrease 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
2021	\$ 129,073
2020	243,668
2019	341,865
2018	223,943
2017	175,448

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

General government. General government expenditures were \$2,358,175. The general government category equated to approximately 8.5% of the total expenditures. Overall, this total was decrease of 48.8% from the previous year. This decrease stemmed from a change in the reporting function for certain activities that were formerly included in this function (cooperative extension, register of deeds, prosecuting attorney, and drain commissioner activities are now reported under different functions). Some of the departments that are included within the general government category include the Administrator, Accounting, Clerk, Treasurer, Equalization, Personnel, and Payroll. The departments with the highest expenditures within the general government category of the general fund were Equalization \$576,768 (24.5%); Treasurer \$505,559 (21.4%); and Clerk \$325,513 (13.8%).

Public safety. Public safety expenditures totaled \$10,752,329 which was an overall increase of \$386,473 (3.7%) 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 crime victim's rights, sheriff's road patrol, law enforcement, building inspection, drug law enforcement, emergency services and law enforcement technology. The county jail had the largest increase in expenditures from the prior year of \$427,706 (7.7%). The majority of the overall increase was attributable increased costs for inmate medical costs.

Health and welfare. Health and welfare expenditures totaled \$4,599,658. The amount marks a small overall increase from the prior year of \$20,018 (0.4%).

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

Recreation and cultural. Recreation and cultural expenditures were \$981,027 which was an decrease of \$376,580 (27.7%) from the previous year. This category is made up of the county parks including the dragon trail project. The main factor driving the decrease was lower project costs related to the construction of the dragon trail from the prior fiscal year.

Legislative. Legislative expenditures were \$325,547. The expenditures are an overall decrease from the previous year of \$16,141 (4.7%). This was mainly due to a reduction in the internal fringe benefit rate per employee for health insurance compared to the prior fiscal year.

Judicial. Judicial expenditures were \$5,629,365 which included general fund expenditures and other governmental funds. The expenditures increased by \$1,218,757 (27.6%) from the previous year. This increase was related to two (2) main factors: 1) the movement of the prosecuting attorney activity from general government to the judicial function (\$1,004,698); and 2) a change in the accounting method for restitution payments (\$180,092).

Community and economic development. Community and economic development expenditures were \$728,796 which is an increase of \$523,648 (255.3%) from the previous year. This category includes programs related to economic and community development and land use. These programs include cooperative extension services, register of deeds, activity to expand the economic activity within the County, and land use and planning related endeavors. The increase is primarily due to the movement of the cooperative extension (\$134,197) and register of deeds (\$414,196) activities from the general government function to the community and economic development function during the 2021 fiscal year.

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 2021 fiscal year were attributable to revenues being more than anticipated, program changes, and operational demands. Some of the more significant amendments are noted below:

- The general fund was amended by a total of \$1,212,573 in FY 2021. Property revenues were increased by \$338,416 to reflect the increase for the 2021 summer tax levy along with the new marijuana tax revenues received from the state. State Grants were increased by \$272,811 for the convention facilities, local stabilization share, and state revenue sharing programs. The county received \$82,163 under the CARES Act CESF (Coronavirus Emergency Supplemental Funding) grant for the courts, \$28,500 for the prosecuting attorney, and \$98,496 for public safety. The county also received \$191,904 under the CARES Act for CDBG (Community Development Block Grant). The register of deeds revenues were amended by \$212,709 due to increased revenues from fees and real estate transfer tax transactions.
- The jail bonds debt service fund was amended by a total of \$2,682,773 to account for the 2020 refunding bond proceeds, premium, escrow, and issuance costs as well as the adjustment of the debt service payments of principal and interest for the refunded bonds.
- The jail fund was amended by a total of \$822,474 in FY 2021. The majority for this amendment was due to the increased costs for the inmate medical care contract along with the resolution of past medical invoices.
- The jail - additional per diem fund was amended by \$400,00 to provide an additional transfer to the jail fund for inmate medical costs.

The capital improvements fund was amended by a total of \$189,842 in FY 2021 to accommodate the closing of fund 120 - general fund special projects (building maintenance and repair reserve) and transferring its assets to the capital improvements fund.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

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.

Capital Assets and Debt Administration

Capital Assets. The County's capital assets for its governmental and business-type activities as of September 30, 2021 amounted to \$14,570,610 (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 2.8%. Major capital assets acquired during the current fiscal year included the following:

Land and Land Improvements:

- Purchase of land located in City of White Cloud \$ 10,338
- Road improvements at Sandy Beach and Diamond Lake Campgrounds 14,819

Buildings:

- Diamond Lake Bathhouse improvements 8,198
- Electrical upgrades at the jail kitchen facility 7,133

Equipment/Software:

- AIPhone intercom system at the county jail 121,881
- Motorola radio upgrade project for the sheriff 99,485
- IT server replacement project 32,346
- County website design and development 29,300
- TruNarc handheld narcotics analyzer for the county jail 29,235
- County complex fiber upgrade project 24,743
- New pump located at Henning Park pond 20,505

Vehicles:

- Three (3) Dodge Caravans for the Commission on Aging 104,699
- One (1) 2020 Ford Transit Van for the commission on Aging 66,871

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and improvements	\$ 2,736,413	\$ 2,770,222	\$ 2,629	\$ 4,198	\$ 2,739,042	\$ 2,774,420
Construction in progress	10,995	10,995	145,330	-	156,325	10,995
Buildings and improvement	10,148,404	10,784,938	-	-	10,148,404	10,784,938
Office equipment	1,191,485	1,036,027	30,101	-	1,221,586	1,036,027
Vehicles	305,253	385,910	-	-	305,253	385,910
Total capital assets, net	\$ 14,392,550	\$ 14,988,092	\$ 178,060	\$ 4,198	\$ 14,570,610	\$ 14,992,290

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

Long-term Debt. At the end of the current fiscal year, the County had outstanding bonds in the amount of \$5,842,180 (\$5,383,000 in governmental activities and \$459,180 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 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	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 5,383,000	\$ 6,435,000	\$ 459,180	\$ 849,180	\$ 5,842,180	\$ 7,284,180
Premium on bonds payable	94,318	4,893	18,850	51,159	113,168	56,052
Compensated absences	510,932	527,905	-	-	510,932	527,905
Total long-term debt	\$ 5,988,250	\$ 6,967,798	\$ 478,030	\$ 900,339	\$ 6,466,280	\$ 7,868,137

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 2022 fiscal year:

- The fiscal year 2022 budget was created with fiscal conservativity at the forefront as state and federal revenue sources have improved yet are susceptible to quick reductions as the influx of pandemic related monies becomes non-existent. While state revenue sharing has stabilized, we expect it to be cut in the future as the State continues to reduce other revenue sources like personal property taxes.
- The substantial increase in federal and state coronavirus funding offset expenditures which, in turn, boosted the overall fund balance of the County. The increased fund balance was used to balance the fiscal year 2022 operating budget.
- The fiscal year 2022 budget takes into consideration the American Rescue Plan (ARP) monies as many capital improvement requests related to COVID-19 were transferred to the ARP allotment in lieu of general fund or capital improvement expenses.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

- It is expected that expenditures will increase in coming years particularly related to employment costs as the state of the economy is very different post pandemic and the County must maintain a competitive working environment.

Highlights of the 2022 budget are as follows:

The 2022 fiscal year budget includes a 2% wage increase for all employees not otherwise bound by contractual language, a 2% increase in property tax revenues for the 2022 summer tax levy; a reduced contribution from tax captures, and diminished interest earnings.

- The County had two major expenditure increases within the FY 2022 budget with regards to IT services and Inmate Health Care services.
- Law enforcement relies heavily on revenue and fund balance generated from the housing of federal inmates. The number of additional federal inmates did not remain at the level expected during the course of the 2021 fiscal year. In turn, the FY 2022 budget includes an increase in the amount transferred from the general fund to the jail as well as the use of a significant amount of the jail's fund balance for operational needs.
- Employee health care costs have remained fairly stable. However, internal changes were increased to ensure proper funding for the program. The County continues to focus on maintaining a recommended net position in the health and wellness fund between 40%-45% due to the inability to predict health insurance claims trends.
- The County experienced a significant drop in the annual required contribution (ARC) to the MERS defined benefit program. However, the savings were offset with by increased expenditures in other areas.
- 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.

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.

BASIC FINANCIAL STATEMENTS

COUNTY OF NEWAYGO, MICHIGAN

Statement of Net Position

September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 18,178,132	\$ 6,785,289	\$ 24,963,421	\$ 13,216,073
Restricted cash and cash equivalents	-	705,987	705,987	-
Investments	6,601,791	11,399,206	18,000,997	1,207,149
Receivables, net	3,943,931	3,066,750	7,010,681	4,999,694
Other assets	412,202	2,302	414,504	2,234,875
Capital assets not being depreciated	2,101,868	145,330	2,247,198	2,552,764
Capital assets being depreciated, net	12,290,682	32,730	12,323,412	66,384,426
Net OPEB asset	1,859,315	-	1,859,315	87,000
Total assets	45,387,921	22,137,594	67,525,515	90,681,981
Deferred outflows of resources				
Deferred charge on bond refunding, net	85,338	5,839	91,177	-
Deferred pension amounts	928,352	-	928,352	1,563,319
Total deferred outflows of resources	1,013,690	5,839	1,019,529	1,563,319
Liabilities				
Payables and accrued liabilities	2,291,776	38,449	2,330,225	3,501,659
Unearned revenue	4,938,499	-	4,938,499	-
Long-term debt:				
Due within one year	1,324,128	408,850	1,732,978	1,578,418
Due in more than one year	4,664,122	69,180	4,733,302	4,478,272
Net pension liability (due in more than one year)	3,647,809	-	3,647,809	2,847,906
Net OPEB liability (due in more than one year)	-	-	-	1,980,673
Total liabilities	16,866,334	516,479	17,382,813	14,386,928
Deferred inflows of resources				
Deferred pension amounts	787,830	-	787,830	696,339
Deferred OPEB amounts	1,488,858	-	1,488,858	1,900,539
Total deferred inflows of resources	2,276,688	-	2,276,688	2,596,878
Net position				
Net investment in capital assets	9,000,570	178,060	9,178,630	63,486,459
Restricted for:				
Community and economic development	1,061,761	-	1,061,761	-
Public safety purposes	415,886	-	415,886	10,818
Drain construction and maintenance	-	-	-	3,075,805
Debt service	390,383	-	390,383	40,282
Other postemployment benefits	370,457	-	370,457	87,000
Property tax foreclosures	-	705,987	705,987	-
Roads	-	-	-	1,263,962
Other purposes	948,970	-	948,970	-
Unrestricted	15,070,562	20,742,907	35,813,469	7,297,168
Total net position	\$ 27,258,589	\$ 21,626,954	\$ 48,885,543	\$ 75,261,494

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2021

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	\$ 2,925,373	\$ 1,158,705	\$ 962,567	\$ -	\$ (804,101)
Public safety	11,437,130	6,312,592	564,593	-	(4,559,945)
Public works	781,076	186,799	86,522	-	(507,755)
Health and welfare	4,808,717	175,832	1,571,806	-	(3,061,079)
Recreation and cultural	1,040,067	916,035	169,637	-	45,605
Legislative	347,868	-	-	-	(347,868)
Judicial	5,669,559	968,819	1,454,803	-	(3,245,937)
Community and economic development	743,165	695,239	(1,695)	-	(49,621)
Interest on long-term debt	174,944	-	-	-	(174,944)
Total governmental activities	27,927,899	10,414,021	4,808,233	-	(12,705,645)
Business-type activities:					
Delinquent tax administration	272,618	1,645,241	79,450	-	1,452,073
Public works projects	2,988	2,988	-	-	-
Jail commissary	161,539	617,481	-	-	455,942
Building authority	49,735	107,136	-	-	57,401
Total business-type activities	486,880	2,372,846	79,450	-	1,965,416
Total primary government	\$ 28,414,779	\$ 12,786,867	\$ 4,887,683	\$ -	\$ (10,740,229)
Component units					
Central Dispatch Authority	\$ 838,070	\$ 1,269,909	\$ 198,518	\$ -	\$ 630,357
Drain Commissioner	836,294	-	5,000	979,355	148,061
Brownfield Redevelopment Authority	4,443	-	-	-	(4,443)
Road Commission	11,514,212	1,331,718	10,523,909	5,511,181	5,852,596
Medical Care Facility	11,707,719	10,330,473	1,395,666	-	18,420
Total component units	\$ 24,900,738	\$ 12,932,100	\$ 12,123,093	\$ 6,490,536	\$ 6,644,991

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COUNTY OF NEWAYGO, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (12,705,645)	\$ 1,965,416	\$ (10,740,229)	\$ 6,644,991
General revenues:				
Property taxes	12,562,194	-	12,562,194	717
Grants and contributions not restricted to specific programs	1,361,972	-	1,361,972	-
Unrestricted investment earnings	29,619	-	29,619	19,326
Gain on sale of capital assets	90,128	-	90,128	846,492
Transfers - internal activities	279,926	(279,926)	-	-
Total general revenues and transfers	14,323,839	(279,926)	14,043,913	866,535
Change in net position	1,618,194	1,685,490	3,303,684	7,511,526
Net position, beginning of year	25,640,395	19,941,464	45,581,859	67,749,968
Net position, end of year	<u>\$ 27,258,589</u>	<u>\$ 21,626,954</u>	<u>\$ 48,885,543</u>	<u>\$ 75,261,494</u>

concluded

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

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COUNTY OF NEWAYGO, MICHIGAN

Balance Sheet

Governmental Funds

September 30, 2021

	General	County Jail (213)	American Rescue Plan (286)	Commission on Aging (297)	Nonmajor Governmental Funds	Totals
Assets						
Cash and cash equivalents	\$ -	\$ 662,801	\$ 4,758,662	\$ 2,279,368	\$ 6,462,884	\$ 14,163,715
Investments	6,601,791	-	-	-	-	6,601,791
Receivables:						
Accounts	149,910	16,146	-	19,383	31,875	217,314
Loans	-	-	-	-	1,061,761	1,061,761
Taxes	1,293,367	-	-	95	143	1,293,605
Due from other governments	94,802	300,903	-	248,422	268,602	912,729
Due from other funds	47,470	-	-	-	-	47,470
Advance to component unit	300,000	-	-	-	-	300,000
Prepays	44,620	63,985	-	1,158	17,956	127,719
Total assets	\$ 8,531,960	\$ 1,043,835	\$ 4,758,662	\$ 2,548,426	\$ 7,843,221	\$ 24,726,104
Liabilities						
Interfund payable	\$ 1,243,828	\$ -	\$ -	\$ -	\$ 11,818	\$ 1,255,646
Accounts payable	590,292	169,847	-	105,086	395,304	1,260,529
Accrued expenditures	160,005	95,324	-	43,415	115,388	414,132
Due to other governments	-	-	-	-	16,993	16,993
Due to other funds	10,803	11,745	-	-	12,900	35,448
Unearned revenue	143,335	-	4,756,896	36,800	1,468	4,938,499
Total liabilities	2,148,263	276,916	4,756,896	185,301	553,871	7,921,247
Deferred inflows of resources						
Unavailable revenues - property taxes	674,422	-	-	-	-	674,422
Fund balances						
Nonspendable	344,620	63,985	-	1,158	17,956	427,719
Restricted	103,510	29,550	1,766	577,835	2,139,217	2,851,878
Committed	63,023	673,384	-	-	2,677,095	3,413,502
Assigned	222,210	-	-	1,784,132	2,455,082	4,461,424
Unassigned	4,975,912	-	-	-	-	4,975,912
Total fund balances	5,709,275	766,919	1,766	2,363,125	7,289,350	16,130,435
Total liabilities, deferred inflows of resources and fund balances	\$ 8,531,960	\$ 1,043,835	\$ 4,758,662	\$ 2,548,426	\$ 7,843,221	\$ 24,726,104

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, 2021

Fund balances - total governmental funds \$ 16,130,435

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	2,101,868
Capital assets being depreciated, net	12,290,682
Less amounts accounted for in governmental-type internal service funds	(254,708)

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	674,422
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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	4,879,578
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Certain liabilities and deferred outflows of resources, such as bonds payable, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the funds.

Deferred charge on bond refunding, net	85,338
Bonds payable and net issuance premium	(5,477,318)
Accrued interest on long-term debt	(34,878)

Certain pension and OPEB-related amounts, such as the net pension and OPEB assets/liabilities and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds

Net OPEB asset	1,859,315
Net pension liability	(3,647,809)
Deferred outflows related to the net pension liability	928,352
Deferred inflows related to the net pension liability	(787,830)
Deferred inflows related to the net OPEB liability	<u>(1,488,858)</u>

Net position of governmental activities \$ 27,258,589

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, 2021

	General	County Jail (213)	American Rescue Plan (286)	Commission on Aging (297)	Nonmajor Governmental Funds	Totals
Revenues						
Taxes	\$ 8,936,158	\$ -	-	\$ 1,553,524	\$ 2,348,128	\$ 12,837,810
Intergovernmental:						
Federal	669,485	1,268	-	470,018	653,973	1,794,744
State	1,884,952	-	-	78,876	1,038,286	3,002,114
Local	170,709	-	-	18,510	114,918	304,137
Licenses and permits	42,543	-	-	-	44,436	86,979
Fines and forfeitures	34,879	-	-	-	8,468	43,347
Charges for services	2,551,720	3,812,491	-	139,821	3,338,668	9,842,700
Interest and rentals	129,073	-	1,766	4,507	18,856	154,202
Contributions from private sources	126,030	-	-	487,674	190,247	803,951
Other revenues/reimbursements	211,021	100,917	-	11,312	26,899	350,149
Total revenues	14,756,570	3,914,676	1,766	2,764,242	7,782,879	29,220,133
Expenditures						
Current:						
Legislative	325,547	-	-	-	-	325,547
Judicial	3,904,392	-	-	-	1,724,973	5,629,365
General government	2,253,640	-	-	-	104,535	2,358,175
Public safety	1,109,940	5,975,458	-	-	3,666,931	10,752,329
Public works	757,619	-	-	-	-	757,619
Health and welfare	1,281,443	-	-	2,148,249	1,169,966	4,599,658
Community and economic development	692,010	-	-	-	36,786	728,796
Recreation and cultural	-	-	-	-	981,027	981,027
Other	106,664	-	-	-	-	106,664
Debt service:						
Principal	-	-	-	-	1,062,000	1,062,000
Interest	-	-	-	-	117,670	117,670
Bond issuance costs	-	-	-	-	74,457	74,457
Capital outlay	6,967	-	-	-	294,330	301,297
Total expenditures	10,438,222	5,975,458	-	2,148,249	9,232,675	27,794,604
Revenues over (under) expenditures	4,318,348	(2,060,782)	1,766	615,993	(1,449,796)	1,425,529
Other financing sources (uses)						
Issuance of long-term debt	-	-	-	-	2,595,000	2,595,000
Premium on issuance of long-term debt	-	-	-	-	116,326	116,326
Payment to refunding bond escrow agent	-	-	-	-	(2,633,185)	(2,633,185)
Transfers in	139,926	2,175,734	-	-	3,221,118	5,536,778
Transfers out	(3,293,302)	-	-	-	(1,963,550)	(5,256,852)
Total other financing sources (uses)	(3,153,376)	2,175,734	-	-	1,335,709	358,067
Net change in fund balances	1,164,972	114,952	1,766	615,993	(114,087)	1,783,596
Fund balances, beginning of year	4,544,303	651,967	-	1,747,132	7,403,437	14,346,839
Fund balances, end of year	\$ 5,709,275	\$ 766,919	\$ 1,766	\$ 2,363,125	\$ 7,289,350	\$ 16,130,435

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, 2021

Net change in fund balances - total governmental funds \$ 1,783,596

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	634,516
Depreciation expense	(1,183,169)

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	(275,616)
Net change in deferred state grants	(56,003)

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	1,062,000
Issuance of long-term debt	(2,595,000)
Premium on issuance of long-term debt	(116,326)
Payment to refunding bond escrow agent	2,633,185
Amortization of premium on long-term debt	22,008
Amortization of deferred charge on bond refunding	(21,890)

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	17,065
Change in the net pension liability and related deferred amounts	6,047
Change in the net OPEB asset and related deferred amounts	786,601

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 loss from governmental activities in internal service funds	(1,456,473)
Net other nonoperating revenue from internal service funds	377,653

Change in net position of governmental activities \$ 1,618,194

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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Real and personal property taxes	\$ 8,302,873	\$ 8,535,947	\$ 8,548,823	\$ 12,876
Other taxes	5,500	110,842	111,719	877
Total taxes	<u>8,308,373</u>	<u>8,646,789</u>	<u>8,660,542</u>	<u>13,753</u>
Intergovernmental:				
Federal	190,387	793,786	669,485	(124,301)
State	1,579,883	1,894,214	1,884,952	(9,262)
Local	142,115	164,759	170,709	5,950
Total intergovernmental	<u>1,912,385</u>	<u>2,852,759</u>	<u>2,725,146</u>	<u>(127,613)</u>
Licenses and permits	<u>27,000</u>	<u>43,003</u>	<u>42,543</u>	<u>(460)</u>
Fines and forfeitures	<u>22,900</u>	<u>34,641</u>	<u>34,879</u>	<u>238</u>
Charges for services	<u>2,051,535</u>	<u>2,380,368</u>	<u>2,551,720</u>	<u>171,352</u>
Interest and rentals:				
Interest revenue	100,800	43,800	25,966	(17,834)
Rentals	108,869	108,869	103,107	(5,762)
Total interest and rentals	<u>209,669</u>	<u>152,669</u>	<u>129,073</u>	<u>(23,596)</u>
Contributions from private sources	<u>126,079</u>	<u>124,362</u>	<u>126,030</u>	<u>1,668</u>
Other revenues/reimbursements:				
Reimbursements	215,029	263,819	207,525	(56,294)
Other revenues	-	3,396	3,496	100
Total other revenues/reimbursements	<u>215,029</u>	<u>267,215</u>	<u>211,021</u>	<u>(56,194)</u>
Total revenues	<u>12,872,970</u>	<u>14,501,806</u>	<u>14,480,954</u>	<u>(20,852)</u>
Expenditures				
Legislative:				
Board of Commissioners	<u>342,469</u>	<u>344,779</u>	<u>325,547</u>	<u>(19,232)</u>
Judicial:				
27th Circuit Court - Newaygo	588,908	659,865	652,700	(7,165)
27th Circuit Court - Oceana	19,215	20,165	20,156	(9)
Circuit Court Probation	23,734	23,734	21,623	(2,111)
Circuit Court Clerk	257,351	257,631	221,033	(36,598)
Circuit Court - Juvenile Division	388,431	417,010	322,819	(94,191)
District Court	1,096,287	1,108,188	1,104,159	(4,029)
Jury Board	13,361	13,511	12,364	(1,147)
Probate Court	476,589	484,054	469,251	(14,803)
Prosecutor	1,011,575	1,052,980	1,016,817	(36,163)
Court Guardian	56,709	63,566	63,470	(96)
Family counseling services	8,650	8,650	-	(8,650)
Total judicial	<u>3,940,810</u>	<u>4,109,354</u>	<u>3,904,392</u>	<u>(204,962)</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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
General government:				
Administrator	\$ 220,881	\$ 223,431	\$ 217,618	\$ (5,813)
Accounting	251,399	249,492	234,261	(15,231)
Clerk	329,497	331,000	325,513	(5,487)
Tax allocation	1,221	1,221	666	(555)
Treasurer	550,056	553,903	505,559	(48,344)
Equalization	658,679	664,658	576,768	(87,890)
Civil counsel	15,816	15,816	10,728	(5,088)
Personnel	120,333	130,988	119,104	(11,884)
Surveyor	56,974	69,326	49,752	(19,574)
Payroll	50,123	50,175	48,963	(1,212)
Elections	174,190	174,190	164,708	(9,482)
Total general government	<u>2,429,169</u>	<u>2,464,200</u>	<u>2,253,640</u>	<u>(210,560)</u>
Public safety:				
Sheriff's department	599,194	713,262	699,875	(13,387)
Courthouse security	67,813	69,256	50,989	(18,267)
Marine law enforcement	40,677	73,482	61,186	(12,296)
Crisis management	-	72,201	12,120	(60,081)
Animal control	281,517	288,822	275,412	(13,410)
Civil processing	32,932	32,932	10,358	(22,574)
Total public safety	<u>1,022,133</u>	<u>1,249,955</u>	<u>1,109,940</u>	<u>(140,015)</u>
Public works:				
Board of public works	81,911	82,533	56,706	(25,827)
Recycling	154,733	194,339	189,925	(4,414)
Drain Commissioner	358,362	357,014	342,228	(14,786)
Drain maintenance and construction	201,260	216,263	145,908	(70,355)
Soil erosion/conservation	11,208	11,653	8,634	(3,019)
Drain tax at large	15,000	15,000	14,218	(782)
Total public works	<u>822,474</u>	<u>876,802</u>	<u>757,619</u>	<u>(119,183)</u>
Health and welfare:				
Health department	416,701	416,701	416,051	(650)
Contagious disease	581	581	244	(337)
Mental health	355,552	355,552	355,552	-
Medical Care Facility maintenance of effort	95,034	95,034	61,025	(34,009)
Substance abuse	70,759	100,999	99,849	(1,150)
Community development block grant	-	191,904	192,093	189
Medical examiner	128,515	152,210	156,629	4,419
Total health and welfare	<u>1,067,142</u>	<u>1,312,981</u>	<u>1,281,443</u>	<u>(31,538)</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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Community and economic development:				
Land use educator	\$ 84,899	\$ 84,899	\$ 84,899	\$ -
Cooperative extension	135,084	135,087	134,987	(100)
Register of deeds	424,336	424,380	414,198	(10,182)
Economic development (NCEDO)	45,000	45,000	45,000	-
West Michigan regional planning	13,000	13,000	12,926	(74)
Total community and economic development	<u>702,319</u>	<u>702,366</u>	<u>692,010</u>	<u>(10,356)</u>
Other:				
National Forest grant distributions	-	106,438	106,438	-
Non-departmental expenditures & contingency	25,150	226	226	-
Contingency	-	372,138	-	(372,138)
Total other	<u>25,150</u>	<u>478,802</u>	<u>106,664</u>	<u>(372,138)</u>
Capital outlay	-	6,967	6,967	-
Total expenditures	<u>10,351,666</u>	<u>11,546,206</u>	<u>10,438,222</u>	<u>(1,107,984)</u>
Revenues over expenditures	<u>2,521,304</u>	<u>2,955,600</u>	<u>4,042,732</u>	<u>1,087,132</u>
Other financing sources (uses)				
Transfers in	139,926	139,926	139,926	-
Transfers out	(3,107,504)	(3,297,346)	(3,293,302)	(4,044)
Total other financing sources (uses)	<u>(2,967,578)</u>	<u>(3,157,420)</u>	<u>(3,153,376)</u>	<u>(4,044)</u>
Net change in fund balance	<u>(446,274)</u>	<u>(201,820)</u>	<u>889,356</u>	<u>1,091,176</u>
Fund balance, beginning of year	<u>5,494,341</u>	<u>5,494,341</u>	<u>5,494,341</u>	<u>-</u>
Fund balance, end of year (budgetary basis)	<u>\$ 5,048,067</u>	<u>\$ 5,292,521</u>	<u>6,383,697</u>	<u>\$ 1,091,176</u>
Accounting basis difference (Note 2)			<u>(674,422)</u>	
Fund balance, end of year (GAAP basis)			<u>\$ 5,709,275</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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental - federal	\$ 1,600	\$ 1,600	\$ 1,268	\$ (332)
Charges for services	3,623,551	3,823,368	3,812,491	(10,877)
Other revenues/reimbursements	82,805	90,620	100,917	10,297
Total revenues	3,707,956	3,915,588	3,914,676	(912)
Expenditures				
Current - public safety	5,483,690	6,306,164	5,975,458	(330,706)
Revenues over (under) expenditures	(1,775,734)	(2,390,576)	(2,060,782)	329,794
Other financing sources				
Transfers in	1,775,734	2,175,734	2,175,734	-
Net change in fund balance	-	(214,842)	114,952	329,794
Fund balance, beginning of year	651,967	651,967	651,967	-
Fund balance, end of year	\$ 651,967	\$ 437,125	\$ 766,919	\$ 329,794

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 - American Rescue Plan
 For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Interest and rentals	\$ -	\$ -	\$ 1,766	\$ 1,766
Net change in fund balance	-	-	1,766	1,766
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,766</u>	<u>\$ 1,766</u>

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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 1,550,863	\$ 1,538,992	\$ 1,553,524	\$ 14,532
Intergovernmental:				
Federal	479,452	547,843	470,018	(77,825)
State	114,282	114,282	78,876	(35,406)
Local	23,000	23,000	18,510	(4,490)
Charges for services	182,833	188,518	139,821	(48,697)
Interest and rentals	15,000	15,000	4,507	(10,493)
Contributions from private sources	525,597	538,581	487,674	(50,907)
Other revenues/reimbursements	31,000	30,000	11,312	(18,688)
Total revenues	2,922,027	2,996,216	2,764,242	(231,974)
Expenditures				
Current - Health and welfare	2,926,071	3,000,260	2,148,249	(852,011)
Revenues over (under) expenditures	(4,044)	(4,044)	615,993	620,037
Other financing sources				
Transfers in	4,044	4,044	-	(4,044)
Net change in fund balance	-	-	615,993	615,993
Fund balance, beginning of year	1,747,132	1,747,132	1,747,132	-
Fund balance, end of year	\$ 1,747,132	\$ 1,747,132	\$ 2,363,125	\$ 615,993

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

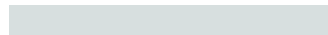
COUNTY OF NEWAYGO, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2021

	Business-type Activities - Enterprise Funds				
	2018 and Prior Delinquent Tax (various)	2020 Delinquent Tax (516202)	Sanitary Sewer Construction (852)	P.A. 123 (520-521)	Nonmajor Enterprise Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 3,137,436	\$ 119,567	\$ -	\$ 1,143,592	\$ 1,129,048
Restricted cash and cash equivalents	-	-	-	705,987	-
Investments	10,393,189	-	-	1,006,017	-
Accounts receivable	22,293	-	-	164,854	17,056
Delinquent taxes receivable	(5,514)	1,755,292	-	-	538,400
Due from other governments	96,011	-	-	-	-
Current portion of leases receivable	-	-	409,178	-	-
Due from other funds	1,500,000	-	-	-	-
Interfund receivable	1,255,646	-	-	-	-
Prepays	-	-	-	-	2,302
Total current assets	16,399,061	1,874,859	409,178	3,020,450	1,686,806
Noncurrent assets:					
Leases receivable, net of current portion	-	-	69,180	-	-
Capital assets not being depreciated	145,330	-	-	-	-
Capital assets being depreciated, net	-	-	-	-	32,730
Total noncurrent assets	145,330	-	69,180	-	32,730
Total assets	16,544,391	1,874,859	478,358	3,020,450	1,719,536
Deferred outflows of resources					
Deferred charge on bond refunding, net	-	-	5,839	-	-
Liabilities					
Current liabilities:					
Accounts payable	726	54	-	7,172	24,330
Accrued expenses	-	-	-	-	-
Accrued interest payable	-	-	6,167	-	-
Due to other funds	-	1,500,000	-	-	-
Current portion of long-term debt	-	-	408,850	-	-
Total current liabilities	726	1,500,054	415,017	7,172	24,330
Noncurrent liabilities -					
Long-term debt, net of current portion	-	-	69,180	-	-
Total liabilities	726	1,500,054	484,197	7,172	24,330
Net position					
Investment in capital assets	145,330	-	-	-	32,730
Restricted for property tax foreclosures	-	-	-	705,987	-
Unrestricted	16,398,335	374,805	-	2,307,291	1,662,476
Total net position	\$ 16,543,665	\$ 374,805	\$ -	\$ 3,013,278	\$ 1,695,206

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



	Governmental Activities
Total	Internal Service Funds
\$ 5,529,643	\$ 5,270,063
705,987	-
11,399,206	-
204,203	158,522
2,288,178	-
96,011	-
409,178	-
1,500,000	37,454
1,255,646	-
<u>2,302</u>	<u>284,483</u>
<u>23,390,354</u>	<u>5,750,522</u>
69,180	-
145,330	-
<u>32,730</u>	<u>254,708</u>
<u>247,240</u>	<u>254,708</u>
<u>23,637,594</u>	<u>6,005,230</u>
<u>5,839</u>	<u>-</u>
32,282	110,602
-	454,642
6,167	-
1,500,000	49,476
<u>408,850</u>	<u>92,976</u>
<u>1,947,299</u>	<u>707,696</u>
<u>69,180</u>	<u>417,956</u>
<u>2,016,479</u>	<u>1,125,652</u>
178,060	254,708
705,987	-
<u>20,742,907</u>	<u>4,624,870</u>
<u>\$ 21,626,954</u>	<u>\$ 4,879,578</u>

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenses and Change in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds				
	2018 and Prior Delinquent Tax (various)	2020 Delinquent Tax (516202)	Sanitary Sewer Construction (852)	P.A. 123 (520-521)	Nonmajor Enterprise Funds
Operating revenues					
Charges for services	\$ -	\$ -	\$ 2,988	\$ 720,957	\$ 607,539
Intergovernmental - federal	-	-	-	-	-
Rentals	-	-	-	-	107,136
Interest and penalties on delinquent taxes	30,236	374,805	-	-	184,294
Reimbursements	-	-	-	334,949	9,942
Total operating revenues	30,236	374,805	2,988	1,055,906	908,911
Operating expenses					
Supplies and operating expenses	50,191	-	-	217,821	209,980
Depreciation	-	-	-	-	5,900
Total operating expenses	50,191	-	-	217,821	215,880
Operating income (loss)	(19,955)	374,805	2,988	838,085	693,031
Nonoperating revenues (expenses)					
Interest income	76,149	-	-	3,301	-
Interest expense	-	-	(2,988)	-	-
Gain on sale of capital assets	-	-	-	-	-
Insurance pool distribution	-	-	-	-	-
Total nonoperating revenues (expense)	76,149	-	(2,988)	3,301	-
Income (loss) before transfers	56,194	374,805	-	841,386	693,031
Transfers					
Transfers out	-	-	-	(78,230)	(201,696)
Change in net position	56,194	374,805	-	763,156	491,335
Net position, beginning of year	16,487,471	-	-	2,250,122	1,203,871
Net position, end of year	\$ 16,543,665	\$ 374,805	\$ -	\$ 3,013,278	\$ 1,695,206

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

	Governmental Activities	
Total	Internal Service Funds	
\$ 1,331,484	\$ 1,694,616	
-	67	
107,136	-	
589,335	-	
344,891	6,069,924	
<u>2,372,846</u>	<u>7,764,607</u>	
477,992	9,136,621	
5,900	84,459	
<u>483,892</u>	<u>9,221,080</u>	
<u>1,888,954</u>	<u>(1,456,473)</u>	
79,450	1,364	
(2,988)	-	
-	90,128	
-	286,161	
<u>76,462</u>	<u>377,653</u>	
1,965,416	(1,078,820)	
<u>(279,926)</u>	<u>-</u>	
1,685,490	(1,078,820)	
<u>19,941,464</u>	<u>5,958,398</u>	
<u>\$ 21,626,954</u>	<u>\$ 4,879,578</u>	

COUNTY OF NEWAYGO, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds				
	2018 and Prior Delinquent Tax (various)	2020 Delinquent Tax (516202)	Sanitary Sewer Construction (852)	P.A. 123 (520-521)	Nonmajor Enterprise Funds
Cash flows from operating activities					
Receipts from customers and users	\$ 580,191	\$ 3,137,521	\$ 2,988	\$ 892,881	\$ 2,476,669
Receipts from interfund services	341,082	-	-	-	-
Payments to vendors	-	(29,021)	-	(211,689)	(204,401)
Payments for personnel services	-	-	-	-	-
Delinquent taxes purchased	-	(4,503,933)	-	-	-
Net cash provided by (used in) operating activities	<u>921,273</u>	<u>(1,395,433)</u>	<u>2,988</u>	<u>681,192</u>	<u>2,272,268</u>
Cash flows from noncapital financing activities					
Cash received from interfund loan	-	1,500,000	-	-	-
Cash paid for interfund loan	(1,221,977)	-	-	-	(1,726,082)
Transfers out	-	-	-	(78,230)	(201,696)
Insurance pool distribution	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(1,221,977)</u>	<u>1,500,000</u>	<u>-</u>	<u>(78,230)</u>	<u>(1,927,778)</u>
Cash flows from capital and related financing activities					
Principal paid on long-term debt	-	-	(390,000)	-	-
Interest paid on long-term debt	-	-	(31,461)	-	-
Cash received from capital leases	-	-	418,473	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Purchases of capital assets	(145,330)	-	-	-	(34,432)
Net cash used in capital and related financing activities	<u>(145,330)</u>	<u>-</u>	<u>(2,988)</u>	<u>-</u>	<u>(34,432)</u>
Cash flows from investing activities					
Purchase of investments	(4,481,567)	-	-	(250,898)	-
Proceeds from sale of investments	3,937,227	-	-	250,000	-
Interest received on investments	298,022	-	-	16,183	-
Net cash provided by (used in) investing activities	<u>(246,318)</u>	<u>-</u>	<u>-</u>	<u>15,285</u>	<u>-</u>



	Governmental Activities	
Total	Internal Service Funds	
\$ 7,090,250	\$ -	
341,082	7,921,252	
(445,111)	(5,378,438)	
-	(3,634,988)	
<u>(4,503,933)</u>	<u>-</u>	
<u>2,482,288</u>	<u>(1,092,174)</u>	
1,500,000	-	
(2,948,059)	-	
(279,926)	-	
<u>-</u>	<u>286,161</u>	
<u>(1,727,985)</u>	<u>286,161</u>	
(390,000)	-	
(31,461)	-	
418,473	-	
-	98,215	
<u>(179,762)</u>	<u>(35,845)</u>	
<u>(182,750)</u>	<u>62,370</u>	
(4,732,465)	-	
4,187,227	-	
<u>314,205</u>	<u>1,364</u>	
<u>(231,033)</u>	<u>1,364</u>	

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds				
	2018 and Prior Delinquent Tax (various)	2020 Delinquent Tax (516202)	Sanitary Sewer Construction (852)	P.A. 123 (520-521)	Nonmajor Enterprise Funds
Net changes in cash and cash equivalents	\$ (692,352)	\$ 104,567	\$ -	\$ 618,247	\$ 310,058
Cash and cash equivalents, beginning of year	3,829,788	15,000	-	1,231,332	818,990
Cash and cash equivalents, end of year	<u>\$ 3,137,436</u>	<u>\$ 119,567</u>	<u>\$ -</u>	<u>\$ 1,849,579</u>	<u>\$ 1,129,048</u>
Cash and cash equivalents as reported on the statement of net position					
Cash and cash equivalents	\$ 3,137,436	\$ 119,567	\$ -	\$ 1,143,592	\$ 1,129,048
Restricted cash and cash equivalents	-	-	-	705,987	-
Total cash and cash equivalents	<u>\$ 3,137,436</u>	<u>\$ 119,567</u>	<u>\$ -</u>	<u>\$ 1,849,579</u>	<u>\$ 1,129,048</u>
Noncash activity					
Purchase of capital assets - amounts in accounts payable at year-end	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (19,955)	\$ 374,805	\$ 2,988	\$ 838,085	\$ 693,031
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	-	5,900
Change in operating assets and liabilities:					
Accounts receivable	6,198	-	-	(163,025)	44,803
Delinquent taxes receivable	697,452	(1,741,217)	-	-	1,518,665
Due from other governments	(6,500)	-	-	-	-
Due from other funds	341,082	-	-	-	-
Prepays	2,270	-	-	-	(2,302)
Accounts payable	726	(14,021)	-	6,132	12,171
Accrued expenses	-	-	-	-	-
Due to other funds	(100,000)	(15,000)	-	-	-
Compensated absences	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 921,273</u>	<u>\$ (1,395,433)</u>	<u>\$ 2,988</u>	<u>\$ 681,192</u>	<u>\$ 2,272,268</u>

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



	Governmental Activities
Total	Internal Service Funds
\$ 340,520	\$ (742,279)
<u>5,895,110</u>	<u>6,012,342</u>
<u>\$ 6,235,630</u>	<u>\$ 5,270,063</u>

\$ 5,529,643	\$ 5,270,063
<u>705,987</u>	<u>-</u>
<u>\$ 6,235,630</u>	<u>\$ 5,270,063</u>

<u>\$ -</u>	<u>\$ 9,812</u>
-------------	-----------------

\$ 1,888,954	\$ (1,456,473)
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5,900	84,459
(112,024)	204,165
474,900	-
(6,500)	4,501
341,082	(19,352)
(32)	4,634
5,008	22,681
-	111,206
(115,000)	(31,022)
<u>-</u>	<u>(16,973)</u>
<u>\$ 2,482,288</u>	<u>\$ (1,092,174)</u>

concluded

COUNTY OF NEWAYGO, MICHIGAN

Statement of Fiduciary Net Position
 Fiduciary Funds
 September 30, 2021

	OPEB Trust	Custodial Funds
Assets		
Cash and cash equivalents	\$ -	\$ 4,832,059
Investments - MERS total market portfolio	6,118,217	-
Total assets	<u>6,118,217</u>	<u>4,832,059</u>
Liabilities		
Accounts payable	-	9,902
Due to other governments	-	4,585,312
Undistributed receipts	-	136,704
Total liabilities	<u>-</u>	<u>4,731,918</u>
Net position		
Restricted for:		
Other postemployment benefits	6,118,217	-
Individuals, organizations and other governments	-	100,141
Total net position	<u>\$ 6,118,217</u>	<u>\$ 100,141</u>

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended September 30, 2021

	OPEB Trust	Custodial Funds
Additions		
Contributions:		
Employer	\$ 276,340	\$ -
Investment earnings:		
Net investment income	1,113,551	-
Collections:		
Circuit court juvenile division collections	-	5,076
County clerk collections	-	74,005
District court collections	-	334,476
Circuit court clerk collections	-	94,412
Probate court collections	-	60,010
Register of deeds collections	-	1,932,777
County treasurer collections	-	10,737,483
Sheriff's collections	-	2,128
County jail collections	-	2,067
Other	-	1,475
Inmate collections	-	1,723,660
Library penal fines collections	-	167,166
	-	15,134,735
Total additions	1,389,891	15,134,735
Deductions		
Benefit payments	276,340	-
Administrative expenses	10,366	-
Distributions:		
Circuit court juvenile division distributions	-	5,076
County clerk distributions	-	74,080
District court distributions	-	334,476
Circuit court clerk distributions	-	94,337
Probate court distributions	-	60,010
Register of deeds distributions	-	1,932,777
County treasurer distributions	-	10,737,483
Sheriff's distributions	-	2,128
County jail distributions	-	2,067
Other	-	1,475
Inmate distributions	-	1,732,696
Library penal fines distributions	-	167,166
Total deductions	286,706	15,143,771
Change in net position	1,103,185	(9,036)
Net position, beginning of year, as restated	5,015,032	109,177
Net position, end of year	\$ 6,118,217	\$ 100,141

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

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units
September 30, 2021

	Central Dispatch Authority	Drain Commissioner	Brownfield Redevelopment Authority
Assets			
Cash and cash equivalents	\$ 828,551	\$ 1,308,279	\$ 71,574
Investments	-	-	-
Receivables, net	338,173	2,335,206	-
Other assets	19,296	-	-
Capital assets not being depreciated	-	401,313	-
Capital assets being depreciated, net	929,105	1,255,478	-
Net OPEB asset	87,000	-	-
Total assets	2,202,125	5,300,276	71,574
Deferred outflows of resources			
Deferred pension amounts	183,580	-	-
Liabilities			
Accounts payable and accrued liabilities	26,659	523,994	438
Long-term debt:			
Due within one year	65,000	295,852	-
Due in more than one year	455,000	1,300,357	-
Net pension liability (due in more than one year)	721,348	-	-
Net OPEB liability (due in more than one year)	-	-	-
Total liabilities	1,268,007	2,120,203	438
Deferred inflows of resources			
Deferred pension amounts	155,792	-	-
Deferred OPEB amounts	69,666	-	-
Total deferred inflows of resources	225,458	-	-
Net position			
Net investment in capital assets	409,105	63,986	-
Restricted for employee training	10,818	-	-
Restricted for drain construction and maintenance	-	3,075,805	-
Restricted for debt service	-	40,282	-
Restricted for other postemployment benefits	87,000	-	-
Restricted for roads	-	-	-
Unrestricted (deficit)	385,317	-	71,136
Total net position	\$ 892,240	\$ 3,180,073	\$ 71,136

*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
\$ 3,998,414	\$ 7,009,255	\$ 13,216,073
1,207,149	-	1,207,149
1,732,522	593,793	4,999,694
1,619,014	596,565	2,234,875
2,151,451	-	2,552,764
55,775,075	8,424,768	66,384,426
-	-	87,000
<u>66,483,625</u>	<u>16,624,381</u>	<u>90,681,981</u>
<u>899,127</u>	<u>480,612</u>	<u>1,563,319</u>
2,065,256	885,312	3,501,659
801,153	416,413	1,578,418
2,722,915	-	4,478,272
1,637,992	488,566	2,847,906
1,980,673	-	1,980,673
<u>9,207,989</u>	<u>1,790,291</u>	<u>14,386,928</u>
491,328	49,219	696,339
1,830,873	-	1,900,539
<u>2,322,201</u>	<u>49,219</u>	<u>2,596,878</u>
54,588,600	8,424,768	63,486,459
-	-	10,818
-	-	3,075,805
-	-	40,282
-	-	87,000
1,263,962	-	1,263,962
-	6,840,715	7,297,168
<u>\$ 55,852,562</u>	<u>\$ 15,265,483</u>	<u>\$ 75,261,494</u>

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended September 30, 2021

	Central Dispatch Authority	Drain Commissioner	Brownfield Redevelopment Authority
Expenses			
Central dispatch	\$ 838,070	\$ -	\$ -
County drains	-	836,294	-
Brownfield redevelopment	-	-	4,443
Roads	-	-	-
Medical care	-	-	-
Total expenses	<u>838,070</u>	<u>836,294</u>	<u>4,443</u>
Program revenues			
Charges for services	1,269,909	-	-
Operating grants and contributions	198,518	5,000	-
Capital grants and contributions	-	979,355	-
Total program revenues	<u>1,468,427</u>	<u>984,355</u>	<u>-</u>
Net revenue (expense)	<u>630,357</u>	<u>148,061</u>	<u>(4,443)</u>
General revenues			
Property taxes	-	-	717
Unrestricted investment earnings	750	233	-
Gain on sale of capital assets	-	-	-
Total general revenues	<u>750</u>	<u>233</u>	<u>717</u>
Change in net position	631,107	148,294	(3,726)
Net position, beginning of year	<u>261,133</u>	<u>3,031,779</u>	<u>74,862</u>
Net position, end of year	<u>\$ 892,240</u>	<u>\$ 3,180,073</u>	<u>\$ 71,136</u>

*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
\$ -	\$ -	\$ 838,070
-	-	836,294
-	-	4,443
11,514,212	-	11,514,212
-	11,707,719	11,707,719
<u>11,514,212</u>	<u>11,707,719</u>	<u>24,900,738</u>
1,331,718	10,330,473	12,932,100
10,523,909	1,395,666	12,123,093
5,511,181	-	6,490,536
<u>17,366,808</u>	<u>11,726,139</u>	<u>31,545,729</u>
<u>5,852,596</u>	<u>18,420</u>	<u>6,644,991</u>
-	-	717
-	18,343	19,326
846,492	-	846,492
<u>846,492</u>	<u>18,343</u>	<u>866,535</u>
6,699,088	36,763	7,511,526
49,153,474	15,228,720	67,749,968
<u>\$ 55,852,562</u>	<u>\$ 15,265,483</u>	<u>\$ 75,261,494</u>

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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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to 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.

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 \$85,174 for the year ended September 30, 2021.

District Health Department #10 – The County participates jointly in the operation of this Health Department with ten other area counties. The County appropriated \$308,924 to the Health Department for the year ended September 30, 2021.

Fiduciary Component Unit

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

Government-wide and Fund Financial Statements

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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.

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.

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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

The *American Rescue Plan fund* accounts for all financial resources of the American Rescue Plan Act grant program administered by the County.

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

The *2020 delinquent tax fund* accounts for the collection and administration of delinquent property taxes levied in the year 2021.

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.

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Custodial Funds are used to account for assets that the government holds for others in a custodial capacity.

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.

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

Deposits and Investments

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

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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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.

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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

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 assets/liabilities. A portion of these costs represent contributions to the pension plan subsequent to the plan measurement date.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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.

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 assets/liabilities.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Fund Equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the government's highest level of decision-making authority). A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners 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, 2021, unassigned fund balance of the general fund was equal to 36 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.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and OPEB assets/liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the plans 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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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	\$ -	\$ 674,422	\$ 674,422
Property tax revenue	8,660,542	275,616	8,936,158
Fund balance, beginning of year	5,494,341	(950,038)	4,544,303
Fund balance, end of year	6,383,697	(674,422)	5,709,275

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, 2021, 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:			
Health and welfare:			
Community development block grant	\$ 191,904	\$ 192,093	\$ 189
Medical examiner	152,210	156,629	4,419
Nonmajor governmental funds:			
Dragon Trail - Recreation and cultural	222,697	230,513	7,816
Building Safety and Permits - Public safety	418,458	450,958	32,500

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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and cash equivalents	\$ 24,963,421	\$ 13,216,073	\$ 38,179,494
Restricted cash and cash equivalents	705,987	-	705,987
Investments	18,000,997	1,207,149	19,208,146
Statement of Fiduciary Net Position			
Cash and cash equivalents	4,832,059	-	4,832,059
MERS total market portfolio	6,118,217	-	6,118,217
Total deposits and investments	54,620,681	14,423,222	69,043,903
Less component units separately audited			
Road Commission	-	(5,205,563)	(5,205,563)
Medical Care Facility	-	(7,009,255)	(7,009,255)
Deposits and investments excluding separately audited component units	<u>\$ 54,620,681</u>	<u>\$ 2,208,404</u>	<u>\$ 56,829,085</u>
Deposits and investments			
Checking and savings accounts			\$ 33,837,200
Certificates of deposit:			
Due within one year			3,670,756
Due in one to five years			3,659,284
Investments			15,660,559
Cash on hand			<u>1,286</u>
Total			<u><u>\$ 56,829,085</u></u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end, \$32,387,339 of the County's bank balance of \$41,104,127 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.

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, 2021, 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, 2021:

U.S. government bonds	\$ 3,773,182
Michigan CLASS	3,317,317
Municipal bonds	2,451,843
MERS total market portfolio	<u>6,118,217</u>
Total	<u><u>\$ 15,660,559</u></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+	\$ 2,640,633
S&P AA	1,053,539
S&P AA-	156,081
S&P AAAm	3,317,317
Moody Aaa	1,032,607
Moody AA1	1,098,677
Moody AA2	243,488
Not rated	<u>6,118,217</u>
Total	<u><u>\$ 15,660,559</u></u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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 held at year-end are summarized as follows:

No maturity	\$ 9,435,534
Due in 1-5 years	5,881,561
Due in 6-10 years	<u>343,464</u>
Total	<u><u>\$ 15,660,559</u></u>

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County'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 and MERS total market portfolio, are valued using Level 2 inputs.

The County's investment in the MERS total market portfolio are measured using Level 1 inputs (quoted prices in active markets for identical assets).

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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

At year end, the net asset value of the County's investment in Michigan CLASS government investment pool was \$3,317,317. 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	\$ 375,836	\$ 204,203	\$ 994,460
Less: allowance for uncollectibles	-	-	(35,123)
Loans receivable	1,061,761	-	-
Taxes (current)	1,293,605	-	-
Taxes (delinquent)	-	2,288,178	-
Due from other governments	912,729	96,011	1,705,151
Advance to component units	300,000	-	-
Special assessments	-	-	2,335,206
Leases	-	478,358	-
Total receivables	\$ 3,943,931	\$ 3,066,750	\$ 4,999,694

Of the amounts reported for receivables above, loans receivable of \$1,061,761, special assessments receivable of \$1,276,268, and leases receivable \$69,180 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 \$674,422 for property taxes receivable and \$2,335,206 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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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	\$ -	\$ -	\$ 1,678,943
Prepays	412,202	2,302	555,932
Total other assets	\$ 412,202	\$ 2,302	\$ 2,234,875

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	\$ 1,371,131	\$ 32,282	\$ 2,239,581
Accrued liabilities	868,774	-	626,607
Due to other governments	16,993	-	37,049
Accrued interest on long-term debt	34,878	6,167	-
Advance from primary government	-	-	300,000
Advance from State of Michigan	-	-	298,422
Total payables	\$ 2,291,776	\$ 38,449	\$ 3,501,659

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

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

Due to and from primary government funds

	Due from Other Funds	Due to Other Funds
General fund	\$ 47,470	\$ 10,803
County jail	-	11,745
Nonmajor governmental funds	-	12,900
2018 and prior delinquent tax	1,500,000	-
2020 delinquent tax	-	1,500,000
Internal service funds	37,454	49,476
Totals	\$ 1,584,924	\$ 1,584,924

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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
General fund	\$ -	\$ 1,243,828
Nonmajor governmental funds	-	11,818
2018 and prior delinquent tax	1,255,646	-
Totals	<u>\$ 1,255,646</u>	<u>\$ 1,255,646</u>

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

For the year ended September 30, 2021, interfund transfers consisted of the following:

Transfers Out	Transfers in			Totals
	General Fund	County Jail	Nonmajor Governmental Funds	
General fund	\$ -	\$ 929,125	\$ 2,364,177	\$ 3,293,302
Nonmajor governmental funds	45,000	1,086,609	831,941	1,963,550
P.A. 123	78,230	-	-	78,230
Nonmajor enterprise funds	16,696	160,000	25,000	201,696
Totals	<u>\$ 139,926</u>	<u>\$ 2,175,734</u>	<u>\$ 3,221,118</u>	<u>\$ 5,536,778</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; 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, 2021, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 2,080,535	\$ 10,338	\$ -	\$ -	\$ 2,090,873
Construction in progress	10,995	-	-	-	10,995
	<u>2,091,530</u>	<u>10,338</u>	<u>-</u>	<u>-</u>	<u>2,101,868</u>
Capital assets, being depreciated:					
Buildings	23,708,612	15,331	-	-	23,723,943
Land improvements	1,608,983	14,819	-	-	1,623,802
Office equipment	4,862,521	468,115	(38,419)	-	5,292,217
Vehicles	2,129,716	171,570	(236,915)	-	2,064,371
	<u>32,309,832</u>	<u>669,835</u>	<u>(275,334)</u>	<u>-</u>	<u>32,704,333</u>
Less accumulated depreciation for:					
Buildings	(12,923,674)	(651,865)	-	-	(13,575,539)
Land improvements	(919,296)	(58,966)	-	-	(978,262)
Office equipment	(3,826,494)	(304,570)	30,332	-	(4,100,732)
Vehicles	(1,743,806)	(252,227)	236,915	-	(1,759,118)
	<u>(19,413,270)</u>	<u>(1,267,628)</u>	<u>267,247</u>	<u>-</u>	<u>(20,413,651)</u>
Total capital assets being depreciated, net	<u>12,896,562</u>	<u>(597,793)</u>	<u>(8,087)</u>	<u>-</u>	<u>12,290,682</u>
Governmental activities capital assets, net	<u>\$ 14,988,092</u>	<u>\$ (587,455)</u>	<u>\$ (8,087)</u>	<u>\$ -</u>	<u>\$ 14,392,550</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Construction in progress	\$ -	\$ 145,330	\$ -	\$ -	\$ 145,330
Capital assets, being depreciated:					
Land improvements	15,686	-	-	-	15,686
Equipment	29,341	34,432	-	-	63,773
	<u>45,027</u>	<u>34,432</u>	<u>-</u>	<u>-</u>	<u>79,459</u>
Less accumulated depreciation for:					
Land improvements	(11,488)	(1,569)	-	-	(13,057)
Equipment	(29,341)	(4,331)	-	-	(33,672)
	<u>(40,829)</u>	<u>(5,900)</u>	<u>-</u>	<u>-</u>	<u>(46,729)</u>
Total capital assets being depreciated, net	<u>4,198</u>	<u>28,532</u>	<u>-</u>	<u>-</u>	<u>32,730</u>
Business-type activities capital assets, net	<u>\$ 4,198</u>	<u>\$ 173,862</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,060</u>

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

Depreciation of governmental activities by function

General government	\$ 476,763
Public safety	363,413
Health and welfare	281,937
Cultural and recreation	61,056
Internal service funds *	<u>84,459</u>

Total governmental activities \$ 1,267,628

* 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>\$ 5,900</u>
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COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Discretely presented component units

Capital assets activity for the Central Dispatch Authority component unit for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Central Dispatch Authority					
Capital assets, not being depreciated:					
Construction in progress	\$ 49,213	\$ -	\$ -	\$ (49,213)	\$ -
Capital assets, being depreciated:					
Equipment	1,601,822	61,250	(4,655)	49,213	1,707,630
Less accumulated depreciation for:					
Equipment	(634,184)	(148,996)	4,655	-	(778,525)
Total capital assets being depreciated, net	967,638	(87,746)	-	49,213	929,105
Central Dispatch Authority capital assets, net	\$ 1,016,851	\$ (87,746)	\$ -	\$ -	\$ 929,105

Capital assets activity for the Drain Commissioner component unit for the year ended September 30, 2021, 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	287,945	334,123	-	(286,105)	335,963
	353,295	334,123	-	(286,105)	401,313
Capital assets, being depreciated:					
Infrastructure	1,724,554	-	-	286,105	2,010,659
Less accumulated depreciation for:					
Infrastructure	(678,327)	(76,854)	-	-	(755,181)
Total capital assets being depreciated, net	1,046,227	(76,854)	-	286,105	1,255,478
Drain Commissioner capital assets, net	\$ 1,399,522	\$ 257,269	\$ -	\$ -	\$ 1,656,791

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

10. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended September 30, 2021:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 6,435,000	\$ 2,595,000	\$ (3,647,000)	\$ 5,383,000	\$ 1,206,000
Premium on bonds payable	4,893	116,326	(26,901)	94,318	25,152
Compensated absences	527,905	98,739	(115,712)	510,932	92,976
Total governmental activities	\$ 6,967,798	\$ 2,810,065	\$ (3,789,613)	\$ 5,988,250	\$ 1,324,128
Business-type activities					
General obligation bonds	\$ 849,180	\$ -	\$ (390,000)	\$ 459,180	\$ 390,000
Premium on bonds payable	51,159	-	(32,309)	18,850	18,850
Total business-type activities	\$ 900,339	\$ -	\$ (422,309)	\$ 478,030	\$ 408,850
Discretely presented component units					
Central Dispatch Authority					
Notes from direct borrowings and direct placements	\$ 585,000	\$ -	\$ (65,000)	\$ 520,000	\$ 65,000
Drain Commissioner					
General obligation debt	1,010,000	-	(60,000)	950,000	60,000
Notes from direct borrowings and direct placements	434,000	236,287	(43,400)	626,887	234,687
Premium on bonds payable	20,487	-	(1,165)	19,322	1,165
	\$ 1,464,487	\$ 236,287	\$ (104,565)	\$ 1,596,209	\$ 295,852

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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

\$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. \$ 2,440,000

\$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. 743,000

\$2,595,000 2020 Jail Refunding Bonds (Series A), due in annual installments of \$395,000 to \$570,000 plus interest ranging from 0.75% to 3.00% through 2025. 2,200,000

Total governmental activities \$ 5,383,000

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. \$ 370,000

\$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. 89,180

Total business-type activities \$ 459,180

Discretely presented component units

Notes from direct borrowings and direct placements -

Central Dispatch Authority

\$650,000 note payable due in annual installments of \$65,000 plus interest at 1.0% through 2029. \$ 520,000

General obligation bonds - Drain Commissioner

\$1,090,000 2018 drain bonds due in annual installments of \$20,000 to \$60,000 plus interest at 3.5% through 2038. \$ 950,000

Notes from direct borrowings and direct placements -

Drain Commissioner

\$354,000 notes payable due in annual installments of \$35,400 plus interest at 2.73% through 2030 \$ 318,600

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Notes from direct borrowings and direct placements - Drain Commissioner (concluded)

\$80,000 notes payable due in annual installments of \$8,000 plus interest at 2.51% through 2030	\$ 72,000
\$146,287 notes payable due in an annual installment of \$146,287 plus interest at .89% through 2022	146,287
\$90,000 notes payable due in annual installments of \$45,000 plus interest at .88% through 2023	<u>90,000</u>
Total notes from direct borrowings and direct placements - Drain Commissioner	<u><u>\$ 626,887</u></u>

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
2022	\$ 1,206,000	\$ 117,928	\$ 390,000	\$ 16,248
2023	1,224,000	89,747	20,000	1,124
2024	1,253,000	60,543	25,000	798
2025	1,271,000	29,972	24,180	392
2026	74,000	11,476	-	-
2027-2030	355,000	24,477	-	-
Totals	<u>\$ 5,383,000</u>	<u>\$ 334,143</u>	<u>\$ 459,180</u>	<u>\$ 18,562</u>

Year Ended September 30,	Central Dispatch Component Unit Notes from Direct Borrowing and Direct Placements	
	Principal	Interest
2022	\$ 65,000	\$ 5,200
2023	65,000	4,550
2024	65,000	3,900
2025	65,000	3,250
2026	65,000	2,600
2027-2029	<u>195,000</u>	<u>3,900</u>
Totals	<u>\$ 520,000</u>	<u>\$ 23,400</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Year Ended September 30,	Drain Commissioner Component Unit			
	General Obligation Bonds		Notes from Direct Borrowing and Direct Placements	
	Principal	Interest	Principal	Interest
2022	\$ 60,000	\$ 33,250	\$ 234,687	\$ 13,066
2023	60,000	31,150	88,400	9,734
2024	60,000	29,050	43,400	8,171
2025	55,000	26,950	43,400	7,003
2026	55,000	25,025	43,400	5,836
2027-2031	275,000	96,250	173,600	11,672
2032-2036	275,000	48,125	-	-
2037-2038	110,000	5,775	-	-
Totals	<u>\$ 950,000</u>	<u>\$ 295,575</u>	<u>\$ 626,887</u>	<u>\$ 55,482</u>

On October 29, 2020, the County issued \$2,595,000 of 2020 limited tax general obligation refunding bonds with interest of 0.75% to 3.00% to advance refund \$2,585,000 of outstanding 2009 general obligation limited tax building improvement bonds. As a result, the bonds were considered defeased at the time of the refunding and the liability was removed from the statement of net position. The refunding resulted in a savings of \$163,844 and an economic gain of \$163,386. On December 14, 2020, the defeased bonds were called and redeemed.

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, 2021 of \$1,096,647. Rental income for the year ended September 30, 2021 amounted to \$94,069, 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, 2021 of \$1,418,822. Rental income for the year ended September 30, 2021 amounted to \$107,136, recorded in the Building Authority enterprise fund.

Annual lease payments under these lease agreements are as follows:

Year Ended September 30,	Community Mental Health	Department of Human Services	Total
2022	\$ 108,000	\$ 110,232	\$ 218,232
2023	104,400	110,232	214,632
2024	100,800	110,232	211,032
2025	97,200	110,232	207,432
2026	93,600	82,674	176,274
2027-2031	406,800	-	406,800
2032	36,000	-	36,000
Totals	\$ 946,800	\$ 523,602	\$ 1,470,402

Vehicle Leases

The County leases vehicles for the sheriff, commission on aging, parks, and drain commissioner under operating leases. Operating lease expense for the year ended September 30, 2021 was \$46,815. 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, 2021:

Year Ending September 30,	Amount
2022	\$ 54,952
2023	43,953
2024	29,440
2025	12,231
2026	2,467
Total	\$ 143,043

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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.

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,	
	2021	2020
Estimated liability, beginning of year	\$ 210,558	\$ 111,114
Estimated claims incurred	153,891	236,131
Claim payments	<u>(117,114)</u>	<u>(136,687)</u>
Estimated liability, end of year	<u>\$ 247,335</u>	<u>\$ 210,558</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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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,	
	2021	2020
Estimated liability, beginning of year	\$ 98,173	\$ 49,298
Estimated claims incurred	3,098,319	2,482,652
Claim payments	<u>(3,023,524)</u>	<u>(2,433,777)</u>
Estimated liability, end of year	<u>\$ 172,968</u>	<u>\$ 98,173</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.

The taxable value of real and personal property for 2021, for which revenue was recognized in the general fund, was \$1,685,978,972. The general operating tax rate for this levy was 5.2664 mills. The County assessed an additional 0.9863 mill for sheriff road patrol operations, 0.0995 mills for veterans' affairs, 0.9877 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 2020 taxable value of \$1,627,587,181.

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, 2021, the County's property taxes were reduced by \$63,055 under this program.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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, 2021, the County's property taxes were reduced by \$1,040 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, 2021, the County's property taxes were reduced by \$61,282 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.

15. BENEFIT PLANS

Defined Benefit Pension Plan

General Information About the Plan

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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, 2020 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	118
Inactive employees entitled to but not yet receiving benefits	14
Active employees	<u>11</u>
Total membership	<u>143</u>

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

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

Division	Employer Contribution Rate	Employee Contribution Rate	Benefit Multiplier
Unclassified	\$ 24,467	4.00%	2.25%
Police Officers Labor	21,301	4.50%	2.50%
Appointed Department Heads	32,133	4.50%	2.50%
Teamsters Employees	14,469	8.49%	2.50%
Central Dispatch	442	4.00%	2.25%
Corrections Officers	18,995	4.50%	2.50%
Command Unit	5,570	4.50%	2.50%
Corrections Command	6,171	4.50%	2.50%

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The base mortality tables used are constructed as described below and are based on amount weighted sex distinct rates:

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

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.0%	5.25%	3.15%
Global fixed income	20.0%	1.25%	0.25%
Private investments	20.0%	7.25%	1.45%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u><u>7.60%</u></u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2020 was 7.6%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2019	\$ 27,125,439	\$ 21,574,936	\$ 5,550,503
Changes for the year:			
Service cost	71,254	-	71,254
Interest	1,977,966	-	1,977,966
Difference between expected and actual experience	161,681	-	161,681
Changes in assumptions	901,312	-	901,312
Employer contributions	-	1,351,383	(1,351,383)
Employee contributions	-	29,547	(29,547)
Net investment income	-	2,955,370	(2,955,370)
Benefit payments, including refunds of employee contributions	(2,270,388)	(2,270,388)	-
Administrative expense	-	(42,741)	42,741
Net changes	<u>841,825</u>	<u>2,023,171</u>	<u>(1,181,346)</u>
Balances at December 31, 2020	<u><u>\$ 27,967,264</u></u>	<u><u>\$ 23,598,107</u></u>	<u><u>\$ 4,369,157</u></u>

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

Governmental activities	\$ 3,647,809
Central Dispatch Authority component unit	<u>721,348</u>
	<u><u>\$ 4,369,157</u></u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.6%) or 1% higher (8.6%) than the current rate:

	1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
County's net pension liability	\$ 6,981,831	\$ 4,369,157	\$ 2,133,200

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

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the County recognized pension expense of \$1,198,697. The County reported deferred outflows/inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 943,622	\$ (943,622)
Contributions subsequent to the plan measurement date	1,111,932	-	1,111,932
Total	\$ 1,111,932	\$ 943,622	\$ 168,310

Amounts are recorded in the accompanying financial statements as follows:

Governmental activities	\$ 928,352	\$ 787,830
Central Dispatch Authority component unit	183,580	155,792
	<u>\$ 1,111,932</u>	<u>\$ 943,622</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2022	\$ (194,293)
2023	12,070
2024	(491,181)
2025	<u>(270,218)</u>
Total	<u>\$ (943,622)</u>

Payable to the Pension Plan. At September 30, 2021, the County had no amount payable for required contributions to the pension plan for the year ended September 30, 2021.

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.

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, 2021 amounted to \$666,963 and \$280,022, respectively.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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, 2019 valuation date, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	42
Active plan members	<u>54</u>
Total membership	<u><u>96</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.

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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Concentrations. At September 30, 2021, the OPEB Plan's investments were fully invested in the MERS Retiree Health Funding Vehicle.

Rate of Return. For the year ended September 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 22.23 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	60.0%	4.95%	2.97%
Global fixed income	20.0%	2.40%	0.48%
Private investments	20.0%	7.00%	1.40%
	<u>100.00%</u>		
Inflation			2.50%
Less: risk factor adjustment			<u>-0.60%</u>
Investment rate of return			<u><u>6.75%</u></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 asset was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2019 (rolled forward to September 30, 2021), 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 of 5.0%, trending to an ultimate rate of 3.9%; post-65 annual medical trend rate of 5.0%, trending to an ultimate rate of 3.9%
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:	
Command Unit, Corrections and Deputies	PubS-2010 Mortality Table with generational projection per the MP-2019 scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement.
All Others	PubG-2010 Mortality Table with generational projection per the MP-2019 scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement.
Probability of accepting benefits	60.0% of current eligible employees are expected to participate in the retiree health insurance plan.

Net OPEB Asset of the County

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

Plan fiduciary net position	\$ 6,118,217
Total OPEB liability	<u>4,171,902</u>
County's net OPEB asset	<u>\$ 1,946,315</u>
Plan fiduciary net position as a percentage of the total OPEB liability	146.7%

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Changes in Net OPEB Asset

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) (a) - (b)
Balances at September 30, 2020	\$ 4,154,580	\$ 5,015,032	\$ (860,452)
Changes for the year:			
Service cost	20,985	-	20,985
Interest	272,677	-	272,677
Employer contributions	-	276,340	(276,340)
Net investment income	-	1,113,551	(1,113,551)
Benefit payments, including refunds of employee contributions	(276,340)	(276,340)	-
Administrative expense	-	(10,366)	10,366
Net changes	<u>17,322</u>	<u>1,103,185</u>	<u>(1,085,863)</u>
Balances at September 30, 2021	<u>\$ 4,171,902</u>	<u>\$ 6,118,217</u>	<u>\$ (1,946,315)</u>

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

Governmental activities	\$ 1,859,315
Central Dispatch Authority component unit	<u>87,000</u>
	<u>\$ 1,946,315</u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate. The following presents the net OPEB asset of the County, calculated using the discount rate of 6.75%, as well as what the County's net OPEB asset 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%)
\$ (1,512,127)	\$ (1,946,315)	\$ (2,316,746)

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB asset of the County, calculated using the healthcare cost trend rate of 5.0% trending to 3.9%, as well as what the County's net OPEB asset would be if it were calculated using a healthcare cost trend rate that is 1% lower (4.0% trending to 2.9%) or 1% higher (6.0% trending to 4.9%) than the current rate:

1% Decrease 4.0% trending to 2.9%)	Current Healthcare Trend Rate (5.0% trending to 3.9%)	1% Increase 6.0% trending to 4.9%)
\$ (2,381,817)	\$ (1,946,315)	\$ (1,436,659)

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

For the year ended September 30, 2021, the County recognized OPEB expense of \$(550,886). The County reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 997,111
Changes in assumptions	12,379
Net difference between projected and actual earnings on OPEB plan investments	<u>549,034</u>
Total	<u><u>\$ 1,558,524</u></u>
Amounts are recorded in the accompanying financial statements as follows:	
Governmental activities	\$ 1,488,858
Central Dispatch Authority component unit	<u>69,666</u>
	<u><u>\$ 1,558,524</u></u>

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

Year Ended September 30,	Amount
2022	\$ 516,790
2023	524,705
2024	361,945
2025	<u>155,084</u>
Total	<u>\$ 1,558,524</u>

Payable to the OPEB Plan. At September 30, 2021, the County had no amounts payable for contributions to the OPEB plan.

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	American Rescue Plan	Commission on Aging	Nonmajor Governmental Funds	Total
Nonspendable:						
Long-term advances	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Prepays	44,620	63,985	-	1,158	17,956	127,719
Total nonspendable	344,620	63,985	-	1,158	17,956	427,719
Restricted for:						
Family counseling (P.A. 368)	97,654	-	-	-	-	97,654
Dragon trail	-	-	-	-	130,245	130,245
Law enforcement and road patrol	-	-	-	-	160,832	160,832
Community development	-	-	-	-	1,061,761	1,061,761
Jail training	-	29,550	-	-	-	29,550
Building inspections (P.A. 245)	-	-	-	-	206,376	206,376
Register of deeds technology (P.A. 698)	-	-	-	-	91,903	91,903
Commission on aging programs	-	-	-	577,835	-	577,835
Law library (P.A. 59)	-	-	-	-	10,471	10,471
Indigent defense	-	-	-	-	11,063	11,063
Debt service	-	-	-	-	425,261	425,261
Other purposes	5,856	-	1,766	-	41,305	48,927
Total restricted	103,510	29,550	1,766	577,835	2,139,217	2,851,878
Committed for:						
Law enforcement and road patrol	-	-	-	-	776,354	776,354
Jail operations	-	673,384	-	-	-	673,384
Friend of court	-	-	-	-	117,653	117,653
General capital improvements	-	-	-	-	1,271,069	1,271,069
Debt service	-	-	-	-	512,019	512,019
Other purposes	63,023	-	-	-	-	63,023
Total committed	63,023	673,384	-	-	2,677,095	3,413,502
Assigned for:						
Emergency services	-	-	-	-	109,905	109,905
Community development	-	-	-	-	179,072	179,072
Animal control	69,395	-	-	-	-	69,395
Elections	92,423	-	-	-	-	92,423
Law enforcement	60,392	-	-	-	387,027	447,419
County parks	-	-	-	-	401,619	401,619
Friend of court	-	-	-	-	93,167	93,167
Social services	-	-	-	-	80,255	80,255
Child care	-	-	-	-	1,071,710	1,071,710
Soldiers' relief	-	-	-	-	131,750	131,750
Commission on aging programs	-	-	-	1,784,132	-	1,784,132
Other purposes	-	-	-	-	577	577
Total assigned	222,210	-	-	1,784,132	2,455,082	4,461,424
Unassigned	4,975,912	-	-	-	-	4,975,912
Total fund balances, governmental funds	\$ 5,709,275	\$ 766,919	\$ 1,766	\$ 2,363,125	\$ 7,289,350	\$ 16,130,435

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, 2021, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 2,101,868	\$ 145,330	\$ 2,552,764
Capital assets being depreciated, net	12,290,682	32,730	66,384,426
	<u>14,392,550</u>	<u>178,060</u>	<u>68,937,190</u>
Related debt:			
Bonds and notes payable	5,383,000	459,180	2,096,887
Premium on bonds payable	94,318	18,850	19,322
Deferred charge on refunding	(85,338)	(5,839)	-
Amounts related to capital leases receivable *	-	(472,191)	-
Installment purchase agreements	-	-	3,337,926
Unexpended bond proceeds	-	-	(3,404)
	<u>5,391,980</u>	<u>-</u>	<u>5,450,731</u>
Net investment in capital assets	<u><u>\$ 9,000,570</u></u>	<u><u>\$ 178,060</u></u>	<u><u>\$ 63,486,459</u></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.

19. RESTATEMENT

The County adopted the provisions of GASB Statement *No. 84, Fiduciary Activities*, in the current year. As a result of this change, beginning net position of fiduciary funds was increased by \$5,124,209, which includes \$5,015,232 and \$109,177 for the OPEB Trust and custodial funds, respectively.

20. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the County for providing emergency services to its citizens, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. The County directly received over \$365,000 during fiscal year 2021 from various funding sources to be used to respond to the impacts of the COVID-19 pandemic through the CARES Act and other funding sources. This funding was used to provide relief in multiple areas such as vaccination programs, personal protection equipment (PPE) programs, small business grants, housing assistance and food and transportation assistance among others.



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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,		
	2021	2020	2019
Total pension liability			
Service cost	\$ 71,254	\$ 67,897	\$ 78,355
Interest	1,977,966	1,995,165	1,986,018
Change in benefits	-	-	-
Difference between expected and actual experience	161,681	424,899	201,248
Changes in assumptions	901,312	851,353	-
Benefit payments, including refunds of employee contributions	(2,270,388)	(2,238,974)	(2,053,138)
Other changes	-	-	-
Net change in total pension liability	<u>841,825</u>	<u>1,100,340</u>	<u>212,483</u>
Total pension liability, beginning of year	<u>27,125,439</u>	<u>26,025,099</u>	<u>25,812,616</u>
Total pension liability, end of year	<u>27,967,264</u>	<u>27,125,439</u>	<u>26,025,099</u>
Plan fiduciary net position			
Employer contributions	1,351,383	1,251,654	1,246,560
Employee contributions	29,547	31,647	41,861
Net investment income (loss)	2,955,370	2,658,198	(824,596)
Benefit payments, including refunds of employee contributions	(2,270,388)	(2,238,974)	(2,053,138)
Administrative expense	(42,741)	(45,780)	(41,286)
Other changes	-	-	-
Net change in plan fiduciary net position	<u>2,023,171</u>	<u>1,656,745</u>	<u>(1,630,599)</u>
Plan fiduciary net position, beginning of year	<u>21,574,936</u>	<u>19,918,191</u>	<u>21,548,790</u>
Plan fiduciary net position, end of year	<u>23,598,107</u>	<u>21,574,936</u>	<u>19,918,191</u>
County's net pension liability	<u>\$ 4,369,157</u>	<u>\$ 5,550,503</u>	<u>\$ 6,106,908</u>
Plan fiduciary net position as a percentage of total pension liability	84.38%	79.54%	76.53%
Covered payroll	\$ 607,089	\$ 616,318	\$ 710,825
County's net pension liability as a percentage of covered payroll	719.69%	900.59%	859.13%

See notes to required supplementary information.



Year Ended September 30,			
2018	2017	2016	2015
\$ 110,514	\$ 113,354	\$ 144,182	\$ 177,889
1,996,376	2,006,374	1,964,674	1,936,675
-	12,026	-	-
(173,466)	(255,874)	(63,125)	-
-	-	1,143,513	-
(2,040,505)	(1,958,348)	(1,857,659)	(1,659,002)
-	(2)	(391)	-
<u>(107,081)</u>	<u>(82,470)</u>	<u>1,331,194</u>	<u>455,562</u>
<u>25,919,697</u>	<u>26,002,167</u>	<u>24,670,973</u>	<u>24,215,411</u>
<u>25,812,616</u>	<u>25,919,697</u>	<u>26,002,167</u>	<u>24,670,973</u>
920,388	1,006,665	1,160,256	1,135,610
50,390	47,892	4,701	8,638
2,593,572	2,115,490	(296,005)	1,209,412
(2,040,505)	(1,958,348)	(1,857,659)	(1,659,002)
(41,160)	(41,781)	(43,207)	(44,398)
(11,201)	-	-	-
<u>1,471,484</u>	<u>1,169,918</u>	<u>(1,031,914)</u>	<u>650,260</u>
<u>20,077,306</u>	<u>18,907,388</u>	<u>19,939,302</u>	<u>19,289,042</u>
<u>21,548,790</u>	<u>20,077,306</u>	<u>18,907,388</u>	<u>19,939,302</u>
<u>\$ 4,263,826</u>	<u>\$ 5,842,391</u>	<u>\$ 7,094,779</u>	<u>\$ 4,731,671</u>

83.48% 77.46% 72.71% 80.82%

\$ 959,101 \$ 1,089,831 \$ 1,396,627 \$ 1,717,803

444.56% 536.08% 507.99% 275.45%

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan Schedule of Contributions

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2021	\$ 1,482,576	\$ 1,482,576	\$ -	\$ 567,758	261.13%
2020	1,307,652	1,307,652	-	629,134	207.85%
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%

See notes to required supplementary information.

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information

Single-Employer Other Postemployment Benefits Plan

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

	Year Ended September 30,			
	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 20,985	\$ 27,329	\$ 38,532	\$ 37,139
Interest	272,677	394,256	387,474	383,857
Changes in benefit terms	-	(132,440)	-	-
Differences between expected and actual experience	-	(1,794,799)	-	-
Changes in assumptions	-	(22,283)	-	-
Benefit payments, including refunds of employee contributions	(276,340)	(257,731)	(369,132)	(368,496)
Net change in total OPEB liability	<u>17,322</u>	<u>(1,785,668)</u>	<u>56,874</u>	<u>52,500</u>
Total OPEB liability, beginning of year	<u>4,154,580</u>	<u>5,940,248</u>	<u>5,883,374</u>	<u>5,830,874</u>
Total OPEB liability, end of year	<u>4,171,902</u>	<u>4,154,580</u>	<u>5,940,248</u>	<u>5,883,374</u>
Plan fiduciary net position				
Employer contributions	276,340	257,731	310,777	946,504
Net investment income	1,113,551	340,779	114,947	237,810
Benefit payments, including refunds of employee contributions	(276,340)	(257,731)	(369,132)	(368,496)
Administrative expense	(10,366)	(8,612)	(8,912)	(11,211)
Net change in plan fiduciary net position	<u>1,103,185</u>	<u>332,167</u>	<u>47,680</u>	<u>804,607</u>
Plan fiduciary net position, beginning of year	<u>5,015,032</u>	<u>4,682,865</u>	<u>4,635,185</u>	<u>3,830,578</u>
Plan fiduciary net position, end of year	<u>6,118,217</u>	<u>5,015,032</u>	<u>4,682,865</u>	<u>4,635,185</u>
County's net OPEB (asset) liability	<u>\$ (1,946,315)</u>	<u>\$ (860,452)</u>	<u>\$ 1,257,383</u>	<u>\$ 1,248,189</u>
Plan fiduciary net position as a percentage of total OPEB liability	146.65%	120.71%	78.83%	78.78%
Covered payroll	\$ 3,429,112	\$ 3,644,803	\$ 3,719,487	\$ 4,024,782
County's net OPEB (asset) liability as a percentage of covered payroll	-56.76%	-23.61%	33.81%	31.01%

See notes to required supplementary information.

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information

Single-Employer Other Postemployment Benefits Plan
Schedule of Contributions

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2021	\$ -	\$ 276,340	\$ (276,340)	\$ 3,429,112	8.06%
2020	-	257,731	(257,731)	3,644,803	7.07%
2019	-	310,777	(310,777)	3,719,487	8.36%
2018	-	946,504	(946,504)	4,024,782	23.52%

See notes to required supplementary information.

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
2021	22.23%
2020	7.28%
2019	2.51%
2018	5.75%

See notes to required supplementary information.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

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

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

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

Changes in Assumptions. In 2016, amounts reported as changes of assumptions resulted primarily from adjustments to the mortality table to reflect longer lifetimes, decreases in the assumed rate of return, and changes in asset smoothing.

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

In 2021, amounts reported as changes of assumptions related to updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

Notes to Schedule of Contributions

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

Valuation Date Actuarially determined contribution rates are calculated as of the December 31 that is 9 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates (2021, based on the 12/31/2019 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	3-10 years, depending on division
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation
Normal retirement age	Age 60

COUNTY OF NEWAYGO, MICHIGAN

Notes to Required Supplementary Information

Mortality 50% Male/50% Female 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

Single-Employer Other Postemployment Benefits Plan

Notes to the Schedule of Changes in the County's Net OPEB (Asset) Liability and Related Ratios

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

Changes in Benefit Terms. In 2020, amounts reported as changes of benefit terms related to 1) effective 1-1-2013, new full-time employees to the Dispatch Benefit Group were no longer eligible for the retiree medical plan and 2) effective 1-1-2019, all remaining Dispatch employees were no longer eligible to purchase county health insurance for themselves or their spouses.

Changes in Assumptions. In 2020, amounts reported as changes of assumptions related to an update to the trend assumption to reflect the elimination of the excise tax as part of the Secure Act of 2019.

Notes to the Schedule of Contributions

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

Valuation Date September 30, 2019

Methods and assumptions used to determine contribution rates (2021, based on the 09/30/2019 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	28 years
Asset valuation method	5-year smooth market
Inflation	2.20%
Salary increases	Base (wage inflation) of 3.75%, plus merit and longevity depending on age.
Investment rate of return	6.75%
Retirement	The retirement rate is 100% at age 75.
Future Retiree Coverage	60% of active participants are assumed to elect coverage at retirement.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Required Supplementary Information

Mortality

Command Unit, Corrections, and Deputies: PubS-2010 Mortality Table with generational projection per the MP-2019 scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. This assumption includes a margin for improvements in longevity beyond the valuation date.

All Others: PubG-2010 Mortality Table with generational projection per the MP-2019 scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. This assumption includes a margin for improvements in longevity beyond the valuation date.

Notes to Schedule of Investment Returns

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

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

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NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2021

	Special Revenue	Debt Service	Capital Improvement (403)	Totals
Assets				
Cash and cash equivalents	\$ 4,272,997	\$ 891,672	\$ 1,298,215	\$ 6,462,884
Accounts receivable	31,875	-	-	31,875
Loans receivable	1,061,761	-	-	1,061,761
Taxes receivable	105	38	-	143
Due from other governments	223,032	45,570	-	268,602
Prepays	17,956	-	-	17,956
Total assets	\$ 5,607,726	\$ 937,280	\$ 1,298,215	\$ 7,843,221
Liabilities				
Interfund payable	\$ 11,818	\$ -	\$ -	\$ 11,818
Accounts payable	368,158	-	27,146	395,304
Accrued expenditures	115,388	-	-	115,388
Due to other governments	16,993	-	-	16,993
Due to other funds	12,900	-	-	12,900
Unearned revenue	1,468	-	-	1,468
Total liabilities	526,725	-	27,146	553,871
Fund balances				
Nonspendable	17,956	-	-	17,956
Restricted	1,713,956	425,261	-	2,139,217
Committed	894,007	512,019	1,271,069	2,677,095
Assigned	2,455,082	-	-	2,455,082
Total fund balances	5,081,001	937,280	1,271,069	7,289,350
Total liabilities and fund balances	\$ 5,607,726	\$ 937,280	\$ 1,298,215	\$ 7,843,221

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and

Change in Fund Balances - Nonmajor Governmental Funds

For the Year Ended September 30, 2021

	Special Revenue	Debt Service	Capital Improvement (403)	Totals
Revenues				
Taxes	\$ 1,708,174	\$ 639,954	\$ -	\$ 2,348,128
Intergovernmental:				
Federal	653,973	-	-	653,973
State	1,020,044	18,242	-	1,038,286
Local	20,849	94,069	-	114,918
Licenses and permits	44,436	-	-	44,436
Fines and forfeitures	8,468	-	-	8,468
Charges for services	2,784,233	554,435	-	3,338,668
Interest and rentals	16,567	2,289	-	18,856
Contributions from private sources	190,247	-	-	190,247
Other revenues/reimbursements	26,899	-	-	26,899
Total revenues	6,473,890	1,308,989	-	7,782,879
Expenditures				
Current:				
Judicial	1,724,973	-	-	1,724,973
General government	104,535	-	-	104,535
Public safety	3,666,931	-	-	3,666,931
Health and welfare	1,169,966	-	-	1,169,966
Community and economic development	36,786	-	-	36,786
Recreation and cultural	981,027	-	-	981,027
Debt service:				
Principal	-	1,062,000	-	1,062,000
Interest	-	117,670	-	117,670
Bond issuance costs	-	74,457	-	74,457
Capital outlay	-	-	294,330	294,330
Total expenditures	7,684,218	1,254,127	294,330	9,232,675
Revenue over (under) expenditures	(1,210,328)	54,862	(294,330)	(1,449,796)
Other financing sources (uses)				
Issuance of long-term debt	-	2,595,000	-	2,595,000
Premium on issuance of long-term debt	-	116,326	-	116,326
Payment to refunding bond escrow agent	-	(2,633,185)	-	(2,633,185)
Transfers in	2,531,276	-	689,842	3,221,118
Transfers out	(1,943,550)	(20,000)	-	(1,963,550)
Total other financing sources (uses)	587,726	58,141	689,842	1,335,709
Net change in fund balances	(622,602)	113,003	395,512	(114,087)
Fund balances, beginning of year	5,703,603	824,277	875,557	7,403,437
Fund balances, end of year	\$ 5,081,001	\$ 937,280	\$ 1,271,069	\$ 7,289,350

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds
September 30, 2021

	Emergency Services (259)	Crime Victim Rights (216)	Sheriff Road Patrol (207)	Law Enforcement (266)
Assets				
Cash and cash equivalents	\$ 58,699	\$ -	\$ 459,174	\$ 39,034
Accounts receivable	27,908	-	876	-
Loans receivable	-	-	-	-
Taxes receivable	-	-	95	-
Due from other governments	50,638	15,802	16,618	25,500
Prepays	3,055	-	10,746	-
Total assets	\$ 140,300	\$ 15,802	\$ 487,509	\$ 64,534
Liabilities				
Interfund payable	\$ -	\$ 11,818	\$ -	\$ -
Accounts payable	4,158	1,792	36,121	1,081
Accrued expenditures	3,881	1,615	51,592	3,403
Due to other governments	-	-	-	-
Due to other funds	-	-	12,348	-
Unearned revenue	173	-	-	-
Total liabilities	8,212	15,225	100,061	4,484
Fund balances				
Nonspendable	3,055	-	10,746	-
Restricted	19,128	-	6,985	60,050
Committed	-	-	-	-
Assigned	109,905	577	369,717	-
Total fund balances	132,088	577	387,448	60,050
Total liabilities and fund balances	\$ 140,300	\$ 15,802	\$ 487,509	\$ 64,534



Temporary Sheriff (2134)	County Parks (208)	Dragon Trail (2081)	Friend of the Court (215)	Community Development (246)	Building Safety and Permits (249)
\$ 704,860	\$ 471,539	\$ 142,793	\$ 160,044	\$ 181,572	\$ 308,425
-	507	-	1,055	-	-
-	-	-	-	1,061,761	-
-	-	-	-	-	-
38,100	-	-	71,354	-	-
-	806	-	1,335	-	2,014
<u>\$ 742,960</u>	<u>\$ 472,852</u>	<u>\$ 142,793</u>	<u>\$ 233,788</u>	<u>\$ 1,243,333</u>	<u>\$ 310,439</u>
\$ -	\$ -		\$ -	\$ -	\$ -
-	55,734	12,548	1,090	2,500	97,099
-	14,693	-	19,991	-	3,655
-	-	-	-	-	-
-	-	-	552	-	-
-	-	-	-	-	1,295
-	70,427	12,548	21,633	2,500	102,049
-	806	-	1,335	-	2,014
-	-	130,245	-	1,061,761	206,376
742,960	-	-	117,653	-	-
-	401,619	-	93,167	179,072	-
<u>742,960</u>	<u>402,425</u>	<u>130,245</u>	<u>212,155</u>	<u>1,240,833</u>	<u>208,390</u>
<u>\$ 742,960</u>	<u>\$ 472,852</u>	<u>\$ 142,793</u>	<u>\$ 233,788</u>	<u>\$ 1,243,333</u>	<u>\$ 310,439</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

September 30, 2021

	Register of Deeds Automation (256)	Law Enforcement Technical Fund (2661)	Indigent Defense (260)	Concealed Pistol Licensing (263)
Assets				
Cash and cash equivalents	\$ 102,424	\$ 17,310	\$ 124,230	\$ 60,799
Accounts receivable	195	-	-	1,332
Loans receivable	-	-	-	-
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Prepays	-	-	-	-
Total assets	\$ 102,619	\$ 17,310	\$ 124,230	\$ 62,131
Liabilities				
Interfund payable	\$ -	\$ -	-	\$ -
Accounts payable	10,131	-	112,701	2
Accrued expenditures	585	-	466	625
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	10,716	-	113,167	627
Fund balances				
Nonspendable	-	-	-	-
Restricted	91,903	-	11,063	61,504
Committed	-	-	-	-
Assigned	-	17,310	-	-
Total fund balances	91,903	17,310	11,063	61,504
Total liabilities and fund balances	\$ 102,619	\$ 17,310	\$ 124,230	\$ 62,131



Drug Law Enforcement (265)	County Law Library (269)	Social Services (290)	Child Care (292)	Soldiers' Relief (293)	Total
\$ 65,687	\$ 11,823	\$ 80,255	\$ 1,124,072	\$ 160,257	\$ 4,272,997
-	-	-	2	-	31,875
-	-	-	-	-	1,061,761
-	-	-	-	10	105
-	-	-	4,322	698	223,032
-	-	-	-	-	17,956
\$ 65,687	\$ 11,823	\$ 80,255	\$ 1,128,396	\$ 160,965	\$ 5,607,726
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,818
-	1,352	-	24,541	7,308	368,158
-	-	-	11,145	3,737	115,388
-	-	-	16,993	-	16,993
-	-	-	-	-	12,900
-	-	-	-	-	1,468
-	1,352	-	52,679	11,045	526,725
-	-	-	-	-	17,956
32,293	10,471	-	4,007	18,170	1,713,956
33,394	-	-	-	-	894,007
-	-	80,255	1,071,710	131,750	2,455,082
65,687	10,471	80,255	1,075,717	149,920	5,081,001
\$ 65,687	\$ 11,823	\$ 80,255	\$ 1,128,396	\$ 160,965	\$ 5,607,726

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, 2021

	Emergency Services (259)	Crime Victim Rights (216)	Sheriff Road Patrol (207)	Law Enforcement (266)
Revenues				
Taxes	\$ -	\$ -	\$ 1,551,792	\$ -
Intergovernmental:				
Federal	163,090	-	3,394	-
State	10,868	51,786	6,506	120,299
Local	-	-	18,484	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	2,753	-
Charges for services	-	55	132,377	-
Interest and rentals	-	-	1,287	-
Contributions from private sources	-	-	21,725	-
Other revenue/reimbursements	4,986	-	13,405	-
Total revenues	<u>178,944</u>	<u>51,841</u>	<u>1,751,723</u>	<u>120,299</u>
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	196,818	73,396	2,755,860	175,575
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Total expenditures	<u>196,818</u>	<u>73,396</u>	<u>2,755,860</u>	<u>175,575</u>
Revenue over (under) expenditures	<u>(17,874)</u>	<u>(21,555)</u>	<u>(1,004,137)</u>	<u>(55,276)</u>
Other financing sources (uses)				
Transfers in	117,433	15,221	1,087,124	90,013
Transfers out	-	-	(90,013)	-
Total other financing sources (uses)	<u>117,433</u>	<u>15,221</u>	<u>997,111</u>	<u>90,013</u>
Net change in fund balances	99,559	(6,334)	(7,026)	34,737
Fund balances, beginning of year	<u>32,529</u>	<u>6,911</u>	<u>394,474</u>	<u>25,313</u>
Fund balances, end of year	<u>\$ 132,088</u>	<u>\$ 577</u>	<u>\$ 387,448</u>	<u>\$ 60,050</u>



Temporary Sheriff (2134)	County Parks (208)	Dragon Trail (2081)	Friend of the Court (215)	Community Development (246)	Building Safety and Permits (249)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	487,489	-	-
-	-	-	65,778	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,110,075	913,706	-	83,939	-	408,026
-	-	-	-	-	15,219
-	-	169,637	-	(1,695)	-
-	2,329	-	-	6,179	-
<u>1,110,075</u>	<u>916,035</u>	<u>169,637</u>	<u>637,206</u>	<u>4,484</u>	<u>423,245</u>
-	-	-	907,606	-	-
-	-	-	-	-	-
-	-	-	-	-	450,958
-	-	-	-	-	-
-	-	-	-	36,786	-
-	750,514	230,513	-	-	-
<u>-</u>	<u>750,514</u>	<u>230,513</u>	<u>907,606</u>	<u>36,786</u>	<u>450,958</u>
<u>1,110,075</u>	<u>165,521</u>	<u>(60,876)</u>	<u>(270,400)</u>	<u>(32,302)</u>	<u>(27,713)</u>
-	-	-	284,719	-	-
(1,853,537)	-	-	-	-	-
<u>(1,853,537)</u>	<u>-</u>	<u>-</u>	<u>284,719</u>	<u>-</u>	<u>-</u>
(743,462)	165,521	(60,876)	14,319	(32,302)	(27,713)
1,486,422	236,904	191,121	197,836	1,273,135	236,103
<u>\$ 742,960</u>	<u>\$ 402,425</u>	<u>\$ 130,245</u>	<u>\$ 212,155</u>	<u>\$ 1,240,833</u>	<u>\$ 208,390</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, 2021

	Register of Deeds Automation (256)	Law Enforcement Technical Fund (2661)	Indigent Defense (260)	Concealed Pistol Licensing (263)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal	-	-	-	-
State	-	-	475,805	-
Local	-	501	-	-
Licenses and permits	-	-	-	44,436
Fines and forfeitures	-	1,215	-	-
Charges for services	68,345	14,402	-	-
Interest and rentals	-	-	-	61
Contributions from private sources	-	-	-	-
Other revenue/reimbursements	-	-	-	-
Total revenues	68,345	16,118	475,805	44,497
Expenditures				
Current:				
Judicial	-	-	806,168	-
General government	76,014	-	-	28,521
Public safety	-	14,324	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Total expenditures	76,014	14,324	806,168	28,521
Revenue over (under) expenditures	(7,669)	1,794	(330,363)	15,976
Other financing sources (uses)				
Transfers in	-	-	201,215	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	201,215	-
Net change in fund balances	(7,669)	1,794	(129,148)	15,976
Fund balances, beginning of year	99,572	15,516	140,211	45,528
Fund balances, end of year	\$ 91,903	\$ 17,310	\$ 11,063	\$ 61,504



Drug Law Enforcement (265)	County Law Library (269)	Social Services (290)	Child Care (292)	Soldiers' Relief (293)	Total
\$ -	\$ -	\$ -	\$ -	\$ 156,382	\$ 1,708,174
-	-	-	-	-	653,973
-	-	-	253,228	35,774	1,020,044
-	-	-	-	1,864	20,849
-	-	-	-	-	44,436
-	4,500	-	-	-	8,468
-	-	19,165	34,143	-	2,784,233
-	-	-	-	-	16,567
-	-	-	-	580	190,247
-	-	-	-	-	26,899
-	4,500	19,165	287,371	194,600	6,473,890
-	11,199	-	-	-	1,724,973
-	-	-	-	-	104,535
-	-	-	-	-	3,666,931
-	-	32,003	912,212	225,751	1,169,966
-	-	-	-	-	36,786
-	-	-	-	-	981,027
-	11,199	32,003	912,212	225,751	7,684,218
-	(6,699)	(12,838)	(624,841)	(31,151)	(1,210,328)
-	6,072	20,382	647,727	61,370	2,531,276
-	-	-	-	-	(1,943,550)
-	6,072	20,382	647,727	61,370	587,726
-	(627)	7,544	22,886	30,219	(622,602)
65,687	11,098	72,711	1,052,831	119,701	5,703,603
\$ 65,687	\$ 10,471	\$ 80,255	\$ 1,075,717	\$ 149,920	\$ 5,081,001

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, 2021

	Emergency Services (259)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental:			
Federal	190,613	163,090	(27,523)
State	-	10,868	10,868
Local	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Contributions from private sources	-	-	-
Other revenue/reimbursements	5,057	4,986	(71)
Total revenues	<u>195,670</u>	<u>178,944</u>	<u>(16,726)</u>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	313,103	196,818	(116,285)
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Total expenditures	<u>313,103</u>	<u>196,818</u>	<u>(116,285)</u>
Revenues over (under) expenditures	<u>(117,433)</u>	<u>(17,874)</u>	<u>99,559</u>
Other financing sources (uses)			
Transfers in	117,433	117,433	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>117,433</u>	<u>117,433</u>	<u>-</u>
Net change in fund balances	-	99,559	99,559
Fund balances, beginning of year	<u>32,529</u>	<u>32,529</u>	<u>-</u>
Fund balances, end of year	<u>\$ 32,529</u>	<u>\$ 132,088</u>	<u>\$ 99,559</u>



Crime Victim Rights (216)			Sheriff Road Patrol (207)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ 1,551,615	\$ 1,551,792	\$ 177
-	-	-	3,393	3,394	1
61,831	51,786	(10,045)	6,506	6,506	-
-	-	-	18,441	18,484	43
-	-	-	-	-	-
-	-	-	2,665	2,753	88
15	55	40	147,776	132,377	(15,399)
-	-	-	1,330	1,287	(43)
-	-	-	21,300	21,725	425
-	-	-	12,066	13,405	1,339
<u>61,846</u>	<u>51,841</u>	<u>(10,005)</u>	<u>1,765,092</u>	<u>1,751,723</u>	<u>(13,369)</u>
-	-	-	-	-	-
-	-	-	-	-	-
77,067	73,396	(3,671)	2,786,677	2,755,860	(30,817)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>77,067</u>	<u>73,396</u>	<u>(3,671)</u>	<u>2,786,677</u>	<u>2,755,860</u>	<u>(30,817)</u>
<u>(15,221)</u>	<u>(21,555)</u>	<u>(6,334)</u>	<u>(1,021,585)</u>	<u>(1,004,137)</u>	<u>17,448</u>
15,221	15,221	-	1,087,124	1,087,124	-
-	-	-	(90,013)	(90,013)	-
<u>15,221</u>	<u>15,221</u>	<u>-</u>	<u>997,111</u>	<u>997,111</u>	<u>-</u>
-	(6,334)	(6,334)	(24,474)	(7,026)	17,448
<u>6,911</u>	<u>6,911</u>	<u>-</u>	<u>394,474</u>	<u>394,474</u>	<u>-</u>
<u>\$ 6,911</u>	<u>\$ 577</u>	<u>\$ (6,334)</u>	<u>\$ 370,000</u>	<u>\$ 387,448</u>	<u>\$ 17,448</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, 2021

	Law Enforcement (266)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental:			
Federal	-	-	-
State	96,231	120,299	24,068
Local	15,000	-	(15,000)
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Contributions from private sources	-	-	-
Other revenue/reimbursements	-	-	-
Total revenues	111,231	120,299	9,068
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	201,344	175,575	(25,769)
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Total expenditures	201,344	175,575	(25,769)
Revenues over (under) expenditures	(90,113)	(55,276)	34,837
Other financing sources (uses)			
Transfers in	90,013	90,013	-
Transfers out	-	-	-
Total other financing sources (uses)	90,013	90,013	-
Net change in fund balances	(100)	34,737	34,837
Fund balances, beginning of year	25,313	25,313	-
Fund balances, end of year	\$ 25,213	\$ 60,050	\$ 34,837



Temporary Sheriff (2134)			County Parks (208)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,090,275	1,110,075	19,800	901,602	913,706	12,104
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,329	2,329	-
<u>1,090,275</u>	<u>1,110,075</u>	<u>19,800</u>	<u>903,931</u>	<u>916,035</u>	<u>12,104</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	903,931	750,514	(153,417)
-	-	-	903,931	750,514	(153,417)
<u>1,090,275</u>	<u>1,110,075</u>	<u>19,800</u>	<u>-</u>	<u>165,521</u>	<u>165,521</u>
-	-	-	-	-	-
(1,853,537)	(1,853,537)	-	-	-	-
(1,853,537)	(1,853,537)	-	-	-	-
(763,262)	(743,462)	19,800	-	165,521	165,521
<u>1,486,422</u>	<u>1,486,422</u>	<u>-</u>	<u>236,904</u>	<u>236,904</u>	<u>-</u>
<u>\$ 723,160</u>	<u>\$ 742,960</u>	<u>\$ 19,800</u>	<u>\$ 236,904</u>	<u>\$ 402,425</u>	<u>\$ 165,521</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, 2021

	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	169,636	169,637	1
Other revenue/reimbursements	-	-	-
Total revenues	169,636	169,637	1
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	222,697	230,513	7,816
Total expenditures	222,697	230,513	7,816
Revenues over (under) expenditures	(53,061)	(60,876)	(7,815)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(53,061)	(60,876)	(7,815)
Fund balances, beginning of year	191,121	191,121	-
Fund balances, end of year	\$ 138,060	\$ 130,245	\$ (7,815)



Friend of the Court (215)			Community Development (246)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
486,958	487,489	531	-	-	-
66,922	65,778	(1,144)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
83,000	83,939	939	-	-	-
-	-	-	-	-	-
-	-	-	-	(1,695)	(1,695)
-	-	-	6,178	6,179	1
636,880	637,206	326	6,178	4,484	(1,694)
921,599	907,606	(13,993)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	38,481	36,786	(1,695)
-	-	-	-	-	-
921,599	907,606	(13,993)	38,481	36,786	(1,695)
(284,719)	(270,400)	14,319	(32,303)	(32,302)	1
284,719	284,719	-	-	-	-
-	-	-	-	-	-
284,719	284,719	-	-	-	-
-	14,319	14,319	(32,303)	(32,302)	1
197,836	197,836	-	1,273,135	1,273,135	-
\$ 197,836	\$ 212,155	\$ 14,319	\$ 1,240,832	\$ 1,240,833	\$ 1

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, 2021

	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	388,673	408,026	19,353
Interest and rentals	15,218	15,219	1
Contributions from private sources	-	-	-
Other revenue/reimbursements	-	-	-
Total revenues	403,891	423,245	19,354
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	418,458	450,958	32,500
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Total expenditures	418,458	450,958	32,500
Revenues over (under) expenditures	(14,567)	(27,713)	(13,146)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(14,567)	(27,713)	(13,146)
Fund balances, beginning of year	236,103	236,103	-
Fund balances, end of year	\$ 221,536	\$ 208,390	\$ (13,146)



Register of Deeds Automation (256)			Law Enforcement Technical Fund (2661)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	500	501	1
-	-	-	-	-	-
-	-	-	1,245	1,215	(30)
64,700	68,345	3,645	14,167	14,402	235
200	-	(200)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>64,900</u>	<u>68,345</u>	<u>3,445</u>	<u>15,912</u>	<u>16,118</u>	<u>206</u>
-	-	-	-	-	-
89,217	76,014	(13,203)	-	-	-
-	-	-	15,912	14,324	(1,588)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>89,217</u>	<u>76,014</u>	<u>(13,203)</u>	<u>15,912</u>	<u>14,324</u>	<u>(1,588)</u>
<u>(24,317)</u>	<u>(7,669)</u>	<u>16,648</u>	<u>-</u>	<u>1,794</u>	<u>1,794</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(24,317)</u>	<u>(7,669)</u>	<u>16,648</u>	<u>-</u>	<u>1,794</u>	<u>1,794</u>
<u>99,572</u>	<u>99,572</u>	<u>-</u>	<u>15,516</u>	<u>15,516</u>	<u>-</u>
<u>\$ 75,255</u>	<u>\$ 91,903</u>	<u>\$ 16,648</u>	<u>\$ 15,516</u>	<u>\$ 17,310</u>	<u>\$ 1,794</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, 2021

	Indigent Defense (260)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental:			
Federal	-	-	-
State	647,393	475,805	(171,588)
Local	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Contributions from private sources	-	-	-
Other revenue/reimbursements	-	-	-
Total revenues	<u>647,393</u>	<u>475,805</u>	<u>(171,588)</u>
Expenditures			
Current:			
Judicial	848,608	806,168	(42,440)
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Total expenditures	<u>848,608</u>	<u>806,168</u>	<u>(42,440)</u>
Revenues over (under) expenditures	<u>(201,215)</u>	<u>(330,363)</u>	<u>(129,148)</u>
Other financing sources (uses)			
Transfers in	201,215	201,215	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>201,215</u>	<u>201,215</u>	<u>-</u>
Net change in fund balances	-	(129,148)	(129,148)
Fund balances, beginning of year	<u>140,211</u>	<u>140,211</u>	<u>-</u>
Fund balances, end of year	<u>\$ 140,211</u>	<u>\$ 11,063</u>	<u>\$ (129,148)</u>



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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
43,000	44,436	1,436	-	-	-
-	-	-	-	-	-
56	61	5	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>43,056</u>	<u>44,497</u>	<u>1,441</u>	-	-	-
-	-	-	-	-	-
43,056	28,521	(14,535)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>43,056</u>	<u>28,521</u>	<u>(14,535)</u>	-	-	-
-	15,976	15,976	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	15,976	15,976	-	-	-
<u>45,528</u>	<u>45,528</u>	<u>-</u>	<u>65,687</u>	<u>65,687</u>	<u>-</u>
<u>\$ 45,528</u>	<u>\$ 61,504</u>	<u>\$ 15,976</u>	<u>\$ 65,687</u>	<u>\$ 65,687</u>	<u>\$ -</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, 2021

	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	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Expenditures			
Current:			
Judicial	11,222	11,199	(23)
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Total expenditures	<u>11,222</u>	<u>11,199</u>	<u>(23)</u>
Revenues over (under) expenditures	<u>(6,722)</u>	<u>(6,699)</u>	<u>23</u>
Other financing sources (uses)			
Transfers in	6,072	6,072	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>6,072</u>	<u>6,072</u>	<u>-</u>
Net change in fund balances	<u>(650)</u>	<u>(627)</u>	<u>23</u>
Fund balances, beginning of year	<u>11,098</u>	<u>11,098</u>	<u>-</u>
Fund balances, end of year	<u>\$ 10,448</u>	<u>\$ 10,471</u>	<u>\$ 23</u>



Social Services (290)			Child Care (292)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	243,453	253,228	9,775
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,000	19,165	165	32,500	34,143	1,643
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>19,000</u>	<u>19,165</u>	<u>165</u>	<u>275,953</u>	<u>287,371</u>	<u>11,418</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
61,000	32,003	(28,997)	943,033	912,212	(30,821)
-	-	-	-	-	-
-	-	-	-	-	-
<u>61,000</u>	<u>32,003</u>	<u>(28,997)</u>	<u>943,033</u>	<u>912,212</u>	<u>(30,821)</u>
<u>(42,000)</u>	<u>(12,838)</u>	<u>29,162</u>	<u>(667,080)</u>	<u>(624,841)</u>	<u>42,239</u>
20,382	20,382	-	647,727	647,727	-
-	-	-	-	-	-
<u>20,382</u>	<u>20,382</u>	<u>-</u>	<u>647,727</u>	<u>647,727</u>	<u>-</u>
(21,618)	7,544	29,162	(19,353)	22,886	42,239
<u>72,711</u>	<u>72,711</u>	<u>-</u>	<u>1,052,831</u>	<u>1,052,831</u>	<u>-</u>
<u>\$ 51,093</u>	<u>\$ 80,255</u>	<u>\$ 29,162</u>	<u>\$ 1,033,478</u>	<u>\$ 1,075,717</u>	<u>\$ 42,239</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, 2021

	Soldiers' Relief (293)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ 156,362	\$ 156,382	\$ 20
Intergovernmental:			
Federal	-	-	-
State	35,774	35,774	-
Local	1,166	1,864	698
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Contributions from private sources	580	580	-
Other revenue/reimbursements	-	-	-
Total revenues	193,882	194,600	718
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	255,252	225,751	(29,501)
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Total expenditures	255,252	225,751	(29,501)
Revenues over (under) expenditures	(61,370)	(31,151)	30,219
Other financing sources (uses)			
Transfers in	61,370	61,370	-
Transfers out	-	-	-
Total other financing sources (uses)	61,370	61,370	-
Net change in fund balances	-	30,219	30,219
Fund balances, beginning of year	119,701	119,701	-
Fund balances, end of year	\$ 119,701	\$ 149,920	\$ 30,219



Total		
Final Budget	Actual	Actual Over (Under) Final Budget
\$ 1,707,977	\$ 1,708,174	\$ 197
680,964	653,973	(26,991)
1,158,110	1,020,044	(138,066)
35,107	20,849	(14,258)
43,000	44,436	1,436
8,410	8,468	58
2,741,708	2,784,233	42,525
16,804	16,567	(237)
191,516	190,247	(1,269)
25,630	26,899	1,269
<u>6,609,226</u>	<u>6,473,890</u>	<u>(135,336)</u>
1,781,429	1,724,973	(56,456)
132,273	104,535	(27,738)
3,812,561	3,666,931	(145,630)
1,259,285	1,169,966	(89,319)
38,481	36,786	(1,695)
1,126,628	981,027	(145,601)
<u>8,150,657</u>	<u>7,684,218</u>	<u>(466,439)</u>
<u>(1,541,431)</u>	<u>(1,210,328)</u>	<u>331,103</u>
2,531,276	2,531,276	-
<u>(1,943,550)</u>	<u>(1,943,550)</u>	<u>-</u>
<u>587,726</u>	<u>587,726</u>	<u>-</u>
(953,705)	(622,602)	331,103
<u>5,703,603</u>	<u>5,703,603</u>	<u>-</u>
<u>\$ 4,749,898</u>	<u>\$ 5,081,001</u>	<u>\$ 331,103</u>

concluded

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds

September 30, 2021

	Jail Bonds (367)	Medical Care Facility Bonds (305)	Mental Health Building Bonds (396)	Total
Assets				
Cash and cash equivalents	\$ 466,449	\$ 207,589	\$ 217,634	\$ 891,672
Taxes receivable	-	38	-	38
Due from other governments	45,570	-	-	45,570
Total assets	<u>\$ 512,019</u>	<u>\$ 207,627</u>	<u>\$ 217,634</u>	<u>\$ 937,280</u>
Fund balances				
Restricted	\$ -	\$ 207,627	\$ 217,634	\$ 425,261
Committed	512,019	-	-	512,019
Total fund balances	<u>\$ 512,019</u>	<u>\$ 207,627</u>	<u>\$ 217,634</u>	<u>\$ 937,280</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, 2021

	Jail Bonds (367)	Medical Care Facility Bonds (305)	Mental Health Building Bonds (396)	Total
Revenues				
Taxes	\$ -	\$ 639,954	\$ -	\$ 639,954
Intergovernmental:				
State	-	18,242	-	18,242
Local	-	-	94,069	94,069
Charges for services	554,435	-	-	554,435
Interest and rentals	-	2,289	-	2,289
Total revenues	<u>554,435</u>	<u>660,485</u>	<u>94,069</u>	<u>1,308,989</u>
Expenditures				
Debt service:				
Principal	395,000	585,000	82,000	1,062,000
Interest	41,364	54,245	22,061	117,670
Bond issuance costs	74,457	-	-	74,457
Total expenditures	<u>510,821</u>	<u>639,245</u>	<u>104,061</u>	<u>1,254,127</u>
Revenues over (under) expenditures	<u>43,614</u>	<u>21,240</u>	<u>(9,992)</u>	<u>54,862</u>
Other financing sources (uses)				
Issuance of long-term debt	2,595,000	-	-	2,595,000
Premium on issuance of long-term debt	116,326	-	-	116,326
Payment to refunding bond escrow agent	(2,633,185)	-	-	(2,633,185)
Transfers out	-	-	(20,000)	(20,000)
Total other financing sources (uses)	<u>78,141</u>	<u>-</u>	<u>(20,000)</u>	<u>58,141</u>
Net change in fund balances	121,755	21,240	(29,992)	113,003
Fund balances, beginning of year	<u>390,264</u>	<u>186,387</u>	<u>247,626</u>	<u>824,277</u>
Fund balances, end of year	<u><u>\$ 512,019</u></u>	<u><u>\$ 207,627</u></u>	<u><u>\$ 217,634</u></u>	<u><u>\$ 937,280</u></u>

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NONMAJOR ENTERPRISE FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

September 30, 2021

	2019 Delinquent Tax (516192)	PRE Audit (530)	Building Authority (569)
Assets			
Current assets:			
Cash and cash equivalents	\$ 27,088	\$ 36,585	\$ 235,629
Accounts receivable	-	-	-
Delinquent taxes receivable	538,400	-	-
Prepays	2,302	-	-
Total current assets	<u>567,790</u>	<u>36,585</u>	<u>235,629</u>
Noncurrent assets:			
Capital assets being depreciated, net	-	-	-
Total assets	<u>567,790</u>	<u>36,585</u>	<u>235,629</u>
Liabilities (all current)			
Accounts payable	-	8,723	-
Net position			
Investment in capital assets	-	-	-
Unrestricted	<u>567,790</u>	<u>27,862</u>	<u>235,629</u>
Total net position	<u>\$ 567,790</u>	<u>\$ 27,862</u>	<u>\$ 235,629</u>



Jail Commissary (595)	Total
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\$ 829,746	\$ 1,129,048
17,056	17,056
-	538,400
-	2,302
<u>846,802</u>	<u>1,686,806</u>

<u>32,730</u>	<u>32,730</u>
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<u>879,532</u>	<u>1,719,536</u>
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<u>15,607</u>	<u>24,330</u>
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32,730	32,730
<u>831,195</u>	<u>1,662,476</u>

<u>\$ 863,925</u>	<u>\$ 1,695,206</u>
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COUNTY OF NEWAYGO, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2021

	2019 Delinquent Tax (516192)	PRE Audit (530)	Building Authority (569)
Operating revenues			
Charges for services	\$ -	\$ -	\$ -
Rentals	-	-	107,136
Interest and penalties on delinquent taxes	184,381	(87)	-
Reimbursements	-	-	-
Total operating revenues	<u>184,381</u>	<u>(87)</u>	<u>107,136</u>
Operating expenses			
Supplies and operating expenses	4,603	3	49,735
Depreciation	-	-	-
Total operating expenses	<u>4,603</u>	<u>3</u>	<u>49,735</u>
Operating income (loss)	179,778	(90)	57,401
Transfers			
Transfers out	-	(16,696)	(25,000)
Change in net position	179,778	(16,786)	32,401
Net position, beginning of year	<u>388,012</u>	<u>44,648</u>	<u>203,228</u>
Net position, end of year	<u>\$ 567,790</u>	<u>\$ 27,862</u>	<u>\$ 235,629</u>



Jail Commissary (595)	Total
\$ 607,539	\$ 607,539
-	107,136
-	184,294
<u>9,942</u>	<u>9,942</u>
<u>617,481</u>	<u>908,911</u>
155,639	209,980
<u>5,900</u>	<u>5,900</u>
<u>161,539</u>	<u>215,880</u>
455,942	693,031
<u>(160,000)</u>	<u>(201,696)</u>
295,942	491,335
<u>567,983</u>	<u>1,203,871</u>
<u>\$ 863,925</u>	<u>\$ 1,695,206</u>

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2021

	2019 Delinquent Tax (516192)	PRE Audit (530)	Building Authority (569)
Cash flows from operating activities			
Receipts from customers and users	\$ 1,700,744	\$ 6,505	\$ 107,136
Payments to vendors	(4,603)	-	(50,340)
Net cash provided by operating activities	<u>1,696,141</u>	<u>6,505</u>	<u>56,796</u>
Cash flows from noncapital financing activities			
Cash paid for interfund loan	(1,726,082)	-	-
Transfers out	-	(16,696)	(25,000)
Net cash used in noncapital financing activities	<u>(1,726,082)</u>	<u>(16,696)</u>	<u>(25,000)</u>
Cash flows from capital financing activities			
Purchases of capital assets	-	-	-
Net change in cash and cash equivalents	(29,941)	(10,191)	31,796
Cash and cash equivalents, beginning of year	<u>57,029</u>	<u>46,776</u>	<u>203,833</u>
Cash and cash equivalents, end of year	<u><u>\$ 27,088</u></u>	<u><u>\$ 36,585</u></u>	<u><u>\$ 235,629</u></u>



Jail Commissary (595)	Total
\$ 662,284	\$ 2,476,669
<u>(149,458)</u>	<u>(204,401)</u>
512,826	2,272,268
-	(1,726,082)
<u>(160,000)</u>	<u>(201,696)</u>
(160,000)	(1,927,778)
<u>(34,432)</u>	<u>(34,432)</u>
318,394	310,058
<u>511,352</u>	<u>818,990</u>
<u>\$ 829,746</u>	<u>\$ 1,129,048</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2021

	2019 Delinquent Tax (516192)	PRE Audit (530)	Building Authority (569)
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 179,778	\$ (90)	\$ 57,401
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	1,518,665	-	-
Prepays	(2,302)	-	-
Accounts payable	-	6,595	(605)
Net cash provided by operating activities	<u>\$ 1,696,141</u>	<u>\$ 6,505</u>	<u>\$ 56,796</u>



Jail Commissary (595)	Total
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\$ 455,942	\$ 693,031
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5,900	5,900
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44,803	44,803
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-	1,518,665
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-	(2,302)
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<u>6,181</u>	<u>12,171</u>
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<u><u>\$ 512,826</u></u>	<u><u>\$ 2,272,268</u></u>
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INTERNAL SERVICE FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

September 30, 2021

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
Assets			
Current assets:			
Cash and cash equivalents	\$ 212,337	\$ 85,343	\$ 69,201
Accounts receivable	-	-	1,146
Due from other funds	-	-	1,029
Prepays	447	-	10,048
Total current assets	<u>212,784</u>	<u>85,343</u>	<u>81,424</u>
Noncurrent assets -			
Capital assets being depreciated, net	13,749	-	9,812
Total assets	<u>226,533</u>	<u>85,343</u>	<u>91,236</u>
Liabilities			
Current liabilities:			
Accounts payable	19,649	-	9,812
Accrued expenses	11,651	6,221	-
Due to other funds	-	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>31,300</u>	<u>6,221</u>	<u>9,812</u>
Noncurrent liabilities -			
Long-term debt, net of current portion	-	-	-
Total liabilities	<u>31,300</u>	<u>6,221</u>	<u>9,812</u>
Net position			
Investment in capital assets	13,749	-	9,812
Unrestricted	181,484	79,122	71,612
Total net position	<u>\$ 195,233</u>	<u>\$ 79,122</u>	<u>\$ 81,424</u>



Information Services (636)	Drain Maintenance / Construction (638)	Duplicating (645)	Telephone System (656)	Motor Pool (661)
\$ 85,113	\$ 74,046	\$ 204,111	\$ 141,510	\$ 210,200
-	28,904	-	-	-
-	-	-	-	-
36,323	2,084	1,200	4,536	-
<u>121,436</u>	<u>105,034</u>	<u>205,311</u>	<u>146,046</u>	<u>210,200</u>
<u>108,307</u>	<u>46,968</u>	<u>11,856</u>	<u>63,727</u>	<u>289</u>
<u>229,743</u>	<u>152,002</u>	<u>217,167</u>	<u>209,773</u>	<u>210,489</u>
64,670	1,413	9,337	789	2,391
2,041	-	-	-	-
-	47,397	-	-	-
-	-	-	-	-
<u>66,711</u>	<u>48,810</u>	<u>9,337</u>	<u>789</u>	<u>2,391</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>66,711</u>	<u>48,810</u>	<u>9,337</u>	<u>789</u>	<u>2,391</u>
108,307	46,968	11,856	63,727	289
54,725	56,224	195,974	145,257	207,809
<u>\$ 163,032</u>	<u>\$ 103,192</u>	<u>\$ 207,830</u>	<u>\$ 208,984</u>	<u>\$ 208,098</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

September 30, 2021

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
Assets			
Current assets:			
Cash and cash equivalents	\$ 69,565	\$ 2,327,006	\$ 399,955
Accounts receivable	-	128,472	-
Due from other funds	-	-	-
Prepays	-	19,759	126,625
Total current assets	<u>69,565</u>	<u>2,475,237</u>	<u>526,580</u>
Noncurrent assets -			
Capital assets being depreciated, net	-	-	-
Total assets	<u>69,565</u>	<u>2,475,237</u>	<u>526,580</u>
Liabilities			
Current liabilities:			
Accounts payable	-	1,596	-
Accrued expenses	710	174,518	247,335
Due to other funds	-	2,079	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>710</u>	<u>178,193</u>	<u>247,335</u>
Noncurrent liabilities -			
Long-term debt, net of current portion	-	-	-
Total liabilities	<u>710</u>	<u>178,193</u>	<u>247,335</u>
Net position			
Investment in capital assets	-	-	-
Unrestricted	<u>68,855</u>	<u>2,297,044</u>	<u>279,245</u>
Total net position	<u>\$ 68,855</u>	<u>\$ 2,297,044</u>	<u>\$ 279,245</u>



Workers' Compensation (696)	Retirement (698)	Unused Sick and Vacation (697)	Total
\$ 226,287	\$ 344,120	\$ 821,269	\$ 5,270,063
-	-	-	158,522
-	-	36,425	37,454
83,461	-	-	284,483
<u>309,748</u>	<u>344,120</u>	<u>857,694</u>	<u>5,750,522</u>
-	-	-	254,708
<u>309,748</u>	<u>344,120</u>	<u>857,694</u>	<u>6,005,230</u>
-	-	945	110,602
3,298	-	8,868	454,642
-	-	-	49,476
-	-	92,976	92,976
<u>3,298</u>	<u>-</u>	<u>102,789</u>	<u>707,696</u>
-	-	417,956	417,956
<u>3,298</u>	<u>-</u>	<u>520,745</u>	<u>1,125,652</u>
-	-	-	254,708
<u>306,450</u>	<u>344,120</u>	<u>336,949</u>	<u>4,624,870</u>
<u>\$ 306,450</u>	<u>\$ 344,120</u>	<u>\$ 336,949</u>	<u>\$ 4,879,578</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, 2021

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
Operating revenues			
Charges for services	\$ 685,029	\$ 211,388	\$ 2,217
Intergovernmental - federal	-	67	-
Reimbursements	-	-	-
Total operating revenues	<u>685,029</u>	<u>211,455</u>	<u>2,217</u>
Operating expenses			
Supplies and operating expenses	653,133	224,170	4,703
Depreciation	1,737	-	-
Total operating expenses	<u>654,870</u>	<u>224,170</u>	<u>4,703</u>
Operating income (loss)	<u>30,159</u>	<u>(12,715)</u>	<u>(2,486)</u>
Nonoperating revenues (expenses)			
Interest income	-	-	-
Gain (loss) on sale of capital assets	-	-	-
Insurance pool distribution	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	30,159	(12,715)	(2,486)
Net position, beginning of year	<u>165,074</u>	<u>91,837</u>	<u>83,910</u>
Net position, end of year	<u>\$ 195,233</u>	<u>\$ 79,122</u>	<u>\$ 81,424</u>



Information Services (636)	Drain Maintenance / Construction (638)	Duplicating (645)	Telephone System (656)	Motor Pool (661)
\$ 503,081	\$ 127,466	\$ 75,738	\$ 62,915	\$ 26,782
-	-	-	-	-
-	-	-	-	-
<u>503,081</u>	<u>127,466</u>	<u>75,738</u>	<u>62,915</u>	<u>26,782</u>
547,341	175,302	53,177	23,062	122,411
42,042	11,005	11,832	14,706	3,137
<u>589,383</u>	<u>186,307</u>	<u>65,009</u>	<u>37,768</u>	<u>125,548</u>
<u>(86,302)</u>	<u>(58,841)</u>	<u>10,729</u>	<u>25,147</u>	<u>(98,766)</u>
-	1,364	-	-	-
-	(6,938)	-	-	97,066
-	-	-	-	-
<u>-</u>	<u>(5,574)</u>	<u>-</u>	<u>-</u>	<u>97,066</u>
(86,302)	(64,415)	10,729	25,147	(1,700)
<u>249,334</u>	<u>167,607</u>	<u>197,101</u>	<u>183,837</u>	<u>209,798</u>
<u>\$ 163,032</u>	<u>\$ 103,192</u>	<u>\$ 207,830</u>	<u>\$ 208,984</u>	<u>\$ 208,098</u>

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, 2021

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
Operating revenues			
Charges for services	\$ -	\$ -	\$ -
Intergovernmental - federal	-	-	-
Reimbursements	39,021	3,153,690	308,989
Total operating revenues	<u>39,021</u>	<u>3,153,690</u>	<u>308,989</u>
Operating expenses			
Supplies and operating expenses	32,039	3,681,158	465,634
Depreciation	-	-	-
Total operating expenses	<u>32,039</u>	<u>3,681,158</u>	<u>465,634</u>
Operating income (loss)	<u>6,982</u>	<u>(527,468)</u>	<u>(156,645)</u>
Nonoperating revenues (expenses)			
Interest income	-	-	-
Gain (loss) on sale of capital assets	-	-	-
Insurance pool distribution	-	-	153,737
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>153,737</u>
Change in net position	6,982	(527,468)	(2,908)
Net position, beginning of year	<u>61,873</u>	<u>2,824,512</u>	<u>282,153</u>
Net position, end of year	<u>\$ 68,855</u>	<u>\$ 2,297,044</u>	<u>\$ 279,245</u>



Workers' Compensation (696)	Retirement (698)	Unused Sick and Vacation (697)	Total
\$ -	\$ -	\$ -	\$ 1,694,616
-	-	-	67
<u>334,994</u>	<u>1,845,744</u>	<u>387,486</u>	<u>6,069,924</u>
<u>334,994</u>	<u>1,845,744</u>	<u>387,486</u>	<u>7,764,607</u>
458,061	2,437,669	258,761	9,136,621
-	-	-	84,459
<u>458,061</u>	<u>2,437,669</u>	<u>258,761</u>	<u>9,221,080</u>
<u>(123,067)</u>	<u>(591,925)</u>	<u>128,725</u>	<u>(1,456,473)</u>
-	-	-	1,364
-	-	-	90,128
<u>132,424</u>	<u>-</u>	<u>-</u>	<u>286,161</u>
<u>132,424</u>	<u>-</u>	<u>-</u>	<u>377,653</u>
9,357	(591,925)	128,725	(1,078,820)
<u>297,093</u>	<u>936,045</u>	<u>208,224</u>	<u>5,958,398</u>
<u>\$ 306,450</u>	<u>\$ 344,120</u>	<u>\$ 336,949</u>	<u>\$ 4,879,578</u>

concluded

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2021

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
Cash flows from operating activities			
Receipts from interfund services	\$ 685,029	\$ 215,956	\$ 748
Payments to vendors	(315,871)	(11,243)	(4,352)
Payments for personnel services	(339,626)	(212,500)	-
Net cash provided by (used in) operating activities	<u>29,532</u>	<u>(7,787)</u>	<u>(3,604)</u>
Cash flows from noncapital financing activities			
Insurance pool distribution	-	-	-
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	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest received on investments	-	-	-
Net change in cash and cash equivalents	29,532	(7,787)	(3,604)
Cash and cash equivalents, beginning of year	<u>182,805</u>	<u>93,130</u>	<u>72,805</u>
Cash and cash equivalents, end of year	<u>\$ 212,337</u>	<u>\$ 85,343</u>	<u>\$ 69,201</u>
Noncash activity			
Purchase of capital assets - amounts in accounts payable at year-end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,812</u>



Information Services (636)	Drain Maintenance / Construction (638)	Duplicating (645)	Telephone System (656)	Motor Pool (661)
\$ 503,081	\$ 65,893	\$ 75,738	\$ 62,915	\$ 26,782
(438,669)	(33,242)	(44,608)	(27,761)	(120,259)
(74,395)	(145,906)	-	-	-
<u>(9,983)</u>	<u>(113,255)</u>	<u>31,130</u>	<u>35,154</u>	<u>(93,477)</u>
-	-	-	-	-
-	1,149	-	-	97,066
(35,845)	-	-	-	-
<u>(35,845)</u>	<u>1,149</u>	<u>-</u>	<u>-</u>	<u>97,066</u>
-	1,364	-	-	-
(45,828)	(110,742)	31,130	35,154	3,589
<u>130,941</u>	<u>184,788</u>	<u>172,981</u>	<u>106,356</u>	<u>206,611</u>
<u>\$ 85,113</u>	<u>\$ 74,046</u>	<u>\$ 204,111</u>	<u>\$ 141,510</u>	<u>\$ 210,200</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2021

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
Cash flows from operating activities			
Receipts from interfund services	\$ 39,021	\$ 3,256,504	\$ 309,289
Payments to vendors	(4,723)	(3,508,684)	(469,238)
Payments for personnel services	(27,242)	(53,781)	-
Net cash provided by (used in) operating activities	<u>7,056</u>	<u>(305,961)</u>	<u>(159,949)</u>
Cash flows from noncapital financing activities			
Insurance pool distribution	-	-	153,737
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	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest received on investments	-	-	-
Net change in cash and cash equivalents	7,056	(305,961)	(6,212)
Cash and cash equivalents, beginning of year	<u>62,509</u>	<u>2,632,967</u>	<u>406,167</u>
Cash and cash equivalents, end of year	<u>\$ 69,565</u>	<u>\$ 2,327,006</u>	<u>\$ 399,955</u>
Noncash activity			
Purchase of capital assets - amounts in accounts payable at year-end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Workers' Compensation (696)	Retirement (698)	Unused Sick and Vacation (697)	Total
\$ 465,389	\$ 1,845,744	\$ 369,163	\$ 7,921,252
(348,834)	(410)	(50,544)	(5,378,438)
(117,718)	(2,437,259)	(226,561)	(3,634,988)
<u>(1,163)</u>	<u>(591,925)</u>	<u>92,058</u>	<u>(1,092,174)</u>
<u>132,424</u>	<u>-</u>	<u>-</u>	<u>286,161</u>
-	-	-	98,215
-	-	-	(35,845)
<u>-</u>	<u>-</u>	<u>-</u>	<u>62,370</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,364</u>
131,261	(591,925)	92,058	(742,279)
<u>95,026</u>	<u>936,045</u>	<u>729,211</u>	<u>6,012,342</u>
<u>\$ 226,287</u>	<u>\$ 344,120</u>	<u>\$ 821,269</u>	<u>\$ 5,270,063</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,812</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2021

	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)	\$ 30,159	\$ (12,715)	\$ (2,486)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	1,737	-	-
Change in operating assets and liabilities:			
Accounts receivable	-	-	(440)
Due from other governments	-	4,501	-
Due from other funds	-	-	(1,029)
Prepays	(447)	-	351
Accounts payable	(4,992)	(321)	-
Accrued expenses	3,075	748	-
Due to other funds	-	-	-
Compensated absences	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 29,532</u>	<u>\$ (7,787)</u>	<u>\$ (3,604)</u>



Information Services (636)	Drain Maintenance / Construction (638)	Duplicating (645)	Telephone System (656)	Motor Pool (661)
\$ (86,302)	\$ (58,841)	\$ 10,729	\$ 25,147	\$ (98,766)
42,042	11,005	11,832	14,706	3,137
-	(28,904)	-	-	-
-	-	-	-	-
-	-	-	-	-
12,847	(858)	-	(4,536)	-
21,159	(2,988)	8,569	(163)	2,152
271	-	-	-	-
-	(32,669)	-	-	-
-	-	-	-	-
<u>\$ (9,983)</u>	<u>\$ (113,255)</u>	<u>\$ 31,130</u>	<u>\$ 35,154</u>	<u>\$ (93,477)</u>

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2021

	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)	\$ 6,982	\$ (527,468)	\$ (156,645)
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	-	102,814	300
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepays	-	46,562	(40,381)
Accounts payable	-	(1,349)	-
Accrued expenses	74	71,401	36,777
Due to other funds	-	2,079	-
Compensated absences	-	-	-
Net cash provided by (used in) operating activities	\$ 7,056	\$ (305,961)	\$ (159,949)



Workers' Compensation (696)	Retirement (698)	Unused Sick and Vacation (697)	Total
\$ (123,067)	\$ (591,925)	\$ 128,725	\$ (1,456,473)
-	-	-	84,459
130,395	-	-	204,165
-	-	-	4,501
-	-	(18,323)	(19,352)
(8,904)	-	-	4,634
-	-	614	22,681
413	-	(1,553)	111,206
-	-	(432)	(31,022)
-	-	(16,973)	(16,973)
<u>\$ (1,163)</u>	<u>\$ (591,925)</u>	<u>\$ 92,058</u>	<u>\$ (1,092,174)</u>

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CUSTODIAL FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Fiduciary Net Position

Custodial Funds

September 30, 2021

	Trust and Agency (701)	Inmate Custodial (714)	Library Penal (721)	Total
Assets				
Cash and cash equivalents	\$ 4,595,214	\$ 100,141	\$ 136,704	\$ 4,832,059
Liabilities				
Accounts payable	9,902	-	-	9,902
Due to other governments	4,585,312	-	-	4,585,312
Undistributed receipts	-	-	136,704	136,704
Total liabilities	4,595,214	-	136,704	4,731,918
Net position				
Restricted for:				
Individuals, organizations and other governments	-	100,141	-	100,141

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2021

	Trust and Agency (701)	Inmate Custodial (714)	Library Penal (721)	Total
Additions				
Circuit court juvenile division collections	\$ 5,076	\$ -	\$ -	\$ 5,076
County clerk collections	74,005	-	-	74,005
District court collections	334,476	-	-	334,476
Circuit court clerk collections	94,412	-	-	94,412
Probate court collections	60,010	-	-	60,010
Register of deeds collections	1,932,777	-	-	1,932,777
County treasurer collections	10,737,483	-	-	10,737,483
Sheriff's collections	2,128	-	-	2,128
County jail collections	2,067	-	-	2,067
Other	1,475	-	-	1,475
Inmate collections	-	1,723,660	-	1,723,660
Library penal fines collections	-	-	167,166	167,166
Total additions	13,243,909	1,723,660	167,166	15,134,735
Deductions				
Circuit court juvenile division distributions	5,076	-	-	5,076
County clerk distributions	74,080	-	-	74,080
District court distributions	334,476	-	-	334,476
Circuit court clerk distributions	94,337	-	-	94,337
Probate court distributions	60,010	-	-	60,010
Register of deeds distributions	1,932,777	-	-	1,932,777
County treasurer distributions	10,737,483	-	-	10,737,483
Sheriff's distributions	2,128	-	-	2,128
County jail distributions	2,067	-	-	2,067
Other	1,475	-	-	1,475
Inmate distributions	-	1,732,696	-	1,732,696
Library penal fines distributions	-	-	167,166	167,166
Total deductions	13,243,909	1,732,696	167,166	15,143,771
Change in net position	-	(9,036)	-	(9,036)
Net position, beginning of year, as restated	-	109,177	-	109,177
Net position, end of year	\$ -	\$ 100,141	\$ -	\$ 100,141

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COMPONENT UNITS

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Drain Commissioner Component Unit

September 30, 2021

	Drain (801xxx)	Drain Revolving (802xxx)	Brooks Lake Board (845)	Hess Lake Improvement (846)
Assets				
Cash and cash equivalents	\$ 676,442	\$ 225,785	\$ 60,838	\$ 88,209
Special assessments receivable	2,071,106	-	40,000	80,500
Due from other funds	-	110,160	-	-
Total assets	\$ 2,747,548	\$ 335,945	\$ 100,838	\$ 168,709
Liabilities				
Accounts payable	\$ 144,916	\$ 35,945	\$ -	\$ -
Due to other funds	110,160	-	-	-
Advance from primary government	-	300,000	-	-
Total liabilities	255,076	335,945	-	-
Deferred inflows of resources				
Unavailable revenues - special assessments	2,071,106	-	40,000	80,500
Fund balances				
Restricted for drain maintenance and construction	421,366	-	60,838	88,209
Restricted for debt service	-	-	-	-
Total fund balances	421,366	-	60,838	88,209
Total liabilities, deferred inflows of resources and fund balances	\$ 2,747,548	\$ 335,945	\$ 100,838	\$ 168,709

Diamond Lake Board (847)	Pickeral and Kimball Lakes Board (848)	Ryerson Lake Board (849)	Engel Wright Lake Board (850)	Drain Debt Service (851)	Total
\$ 47,386	\$ 114,995	\$ 43,278	\$ 11,064	\$ 40,282	\$ 1,308,279
20,000	82,800	30,000	10,800	-	2,335,206
-	-	-	-	-	110,160
<u>\$ 67,386</u>	<u>\$ 197,795</u>	<u>\$ 73,278</u>	<u>\$ 21,864</u>	<u>\$ 40,282</u>	<u>\$ 3,753,645</u>
\$ 3,293	\$ 36,270	\$ 1,680	\$ 1,890	\$ -	\$ 223,994
-	-	-	-	-	110,160
-	-	-	-	-	300,000
<u>3,293</u>	<u>36,270</u>	<u>1,680</u>	<u>1,890</u>	<u>-</u>	<u>634,154</u>
<u>20,000</u>	<u>82,800</u>	<u>30,000</u>	<u>10,800</u>	<u>-</u>	<u>2,335,206</u>
44,093	78,725	41,598	9,174	-	744,003
-	-	-	-	40,282	40,282
<u>44,093</u>	<u>78,725</u>	<u>41,598</u>	<u>9,174</u>	<u>40,282</u>	<u>784,285</u>
<u>\$ 67,386</u>	<u>\$ 197,795</u>	<u>\$ 73,278</u>	<u>\$ 21,864</u>	<u>\$ 40,282</u>	<u>\$ 3,753,645</u>

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COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
Drain Commissioner Component Unit
September 30, 2021

Fund balances - total governmental funds \$ 784,285

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	401,313
Capital assets being depreciated, net	1,255,478

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	2,335,206
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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	(1,576,887)
Premium on long-term debt	<u>(19,322)</u>

Net position of governmental activities \$ 3,180,073

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances

Drain Commissioner Component Unit
For the Year Ended September 30, 2021

	Drain (801xxx)	Drain Revolving (802xxx)	Brooks Lake Board (845)	Hess Lake Improvement (846)
Revenues				
Special assessments	\$ 347,371	\$ -	\$ 19,908	\$ 80,330
Contributions	-	-	-	-
Unrestricted investment earnings	233	-	-	-
Total revenues	<u>347,604</u>	<u>-</u>	<u>19,908</u>	<u>80,330</u>
Expenditures				
Current - public works	840,475	-	41,629	45,466
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	<u>840,475</u>	<u>-</u>	<u>41,629</u>	<u>45,466</u>
Revenues over (under) expenditures	<u>(492,871)</u>	<u>-</u>	<u>(21,721)</u>	<u>34,864</u>
Other financing sources (uses)				
Issuance of long-term debt	236,287	-	-	-
Transfers in	-	-	-	-
Transfers out	(52,570)	-	-	-
Total other financing sources (uses)	<u>183,717</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(309,154)</u>	<u>-</u>	<u>(21,721)</u>	<u>34,864</u>
Fund balances, beginning of year	<u>730,520</u>	<u>-</u>	<u>82,559</u>	<u>53,345</u>
Fund balances, end of year	<u>\$ 421,366</u>	<u>\$ -</u>	<u>\$ 60,838</u>	<u>\$ 88,209</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
\$ 24,000	\$ 60,690	\$ 30,000	\$ 10,800	\$ 114,937	\$ 688,036
-	5,000	-	-	-	5,000
-	-	-	-	-	233
<u>24,000</u>	<u>65,690</u>	<u>30,000</u>	<u>10,800</u>	<u>114,937</u>	<u>693,269</u>
22,011	60,618	19,225	15,984	-	1,045,408
-	-	-	-	103,400	103,400
-	-	-	-	49,320	49,320
<u>22,011</u>	<u>60,618</u>	<u>19,225</u>	<u>15,984</u>	<u>152,720</u>	<u>1,198,128</u>
<u>1,989</u>	<u>5,072</u>	<u>10,775</u>	<u>(5,184)</u>	<u>(37,783)</u>	<u>(504,859)</u>
-	-	-	-	-	236,287
-	-	-	-	52,570	52,570
-	-	-	-	-	(52,570)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,570</u>	<u>236,287</u>
1,989	5,072	10,775	(5,184)	14,787	(268,572)
<u>42,104</u>	<u>73,653</u>	<u>30,823</u>	<u>14,358</u>	<u>25,495</u>	<u>1,052,857</u>
<u>\$ 44,093</u>	<u>\$ 78,725</u>	<u>\$ 41,598</u>	<u>\$ 9,174</u>	<u>\$ 40,282</u>	<u>\$ 784,285</u>

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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, 2021

Net change in fund balances - total governmental funds \$ (268,572)

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	334,123
Depreciation expense	(76,854)

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	291,319
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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	103,400
Amortization of premium on long-term debt	1,165
Issuance of long-term debt	<u>(236,287)</u>

Change in net position of governmental activities \$ 148,294

COUNTY OF NEWAYGO, MICHIGAN

Balance Sheet / Statement of Net Position

Brownfield Redevelopment Authority Component Unit

September 30, 2021

	Governmental Fund (243)	Adjustments	Statement of Activities
Assets			
Cash and cash equivalents	\$ 71,574	\$ -	\$ 71,574
Liabilities			
Accounts payable	\$ 438	-	438
Fund balance			
Unassigned	71,136	(71,136)	
Total liabilities and fund balances	<u>\$ 71,574</u>		
Net position			
Unrestricted		<u>\$ 71,136</u>	<u>\$ 71,136</u>

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance /

Statement of Activities

Brownfield Redevelopment Authority Component Unit

For the Year Ended September 30, 2021

	Governmental Fund (243)	Adjustments	Statement of Net Position
Revenues			
Property taxes	\$ 717	\$ -	\$ 717
Expenditures / expenses			
Community and economic development	4,443	-	4,443
Net change in fund balance / net position	(3,726)	-	(3,726)
Fund balance/net position, beginning of year	74,862	-	74,862
Fund balance/net position, end of year	<u>\$ 71,136</u>	<u>\$ -</u>	<u>\$ 71,136</u>