

# Oceana County

## Annual Financial Report

### Year Ended December 31, 2019



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Oceana County, 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 Oceana County, Michigan (the "County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Oceana County Road Commission, which represent 46.3 percent, 52.7 percent, and 38.6 percent, respectively, of the assets and deferred outflows, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Oceana County Road Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules and the continuing disclosure filing 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 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The continuing disclosure filing section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Gabridge & Company*

Gabridge & Company, PLC  
Grand Rapids, Michigan  
June 24, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Oceana County**  
**Management's Discussion and Analysis**  
**December 31, 2019**

As management of Oceana County (the "County" or "government"), 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 December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and the notes to the financial statements.

**Financial Highlights**

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at December 31, 2019 by \$12,439,331. Of this amount, \$5,593,426 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased \$1,237,303 during the year. Revenues decreased by \$781,958 during the year and expenses for the County decreased by \$816,152 from the prior fiscal year.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$7,464,840, an increase of \$334,841 in comparison with the prior year. Approximately 52.2% of this amount (or \$3,899,461) is available for spending at the government's discretion (unassigned fund balance).
- At year-end, unassigned fund balance for the general fund was \$3,899,461, or 35.6% of the general fund's annualized expenditures and transfers out.
- The County paid down long-term debt by \$250,000 during the year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary 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 finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the County's assets, deferred outflows, 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., accrued interest expense and long-term debt).

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 services (such as: administration, clerk, and treasurer); judicial activities (courts); public safety (sheriff, road patrol, marine safety); public works; health and welfare (such as: health, mental health, and child care), and a variety of other services. The business-type activities of the County include delinquent tax collections and jail commissary activities.

The County includes other legally separate entities in its financial statements: the Oceana County Drain Commission, Oceana County Road Commission, Oceana County Board of Public Works, Oceana Medical Care Facility, and the Oceana County Economic Development Corporation. Although legally separate, these component units are important because the County is financially accountable for them. The Oceana County Road Commission and Oceana County Medical Care Facility issued separate audited financial statements and those statements can be obtained at their respective administrative offices or from the County Administrator's office.

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

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

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

The County maintains numerous 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, ambulance, and senior citizens' tax funds, each of which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

**Proprietary funds.** The County maintains one type of proprietary fund, an enterprise fund. 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 delinquent tax, jail commissary operations, homestead denials, foreclosures, and housing.

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 operations of the five proprietary funds noted above.

**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 statement and accompanying notes, this report also presents certain information concerning the County's budgetary compliance and its progress in funding its obligation to provide pension and other postemployment benefits to its employees. This information can be found immediately following the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the required supplemental information.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$12,439,331 at the close of the most recent fiscal year. A large portion of the County's net position (35.0%, or \$4,349,503) represents its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to

repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (20.0%, or \$2,496,402) represents resources that are subject to external restrictions on how they may be used. Restricted net position refers to amounts that have constraints placed on them by either: a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation. The remaining portion of the County's net position (45.0%, or \$5,593,426) is comprised of unrestricted net position. These amounts may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in total net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Oceana County's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and Investments	\$ 7,605,481	\$ 7,055,824	\$ 5,702,557	\$ 4,875,303	\$ 13,308,038	\$ 11,931,127
Taxes Receivable	3,271,977	3,194,608	1,304,312	1,351,982	4,576,289	4,546,590
Accounts Receivable	123,046	123,468	-	-	123,046	123,468
Due from Other Governments	209,695	336,319	-	-	209,695	336,319
Prepays	82,621	113,307	-	-	82,621	113,307
<b>Total Current Assets</b>	<b>11,292,820</b>	<b>10,823,526</b>	<b>7,006,869</b>	<b>6,227,285</b>	<b>18,299,689</b>	<b>17,050,811</b>
<i>Noncurrent Assets</i>						
Advances to Other Governmental Units	82,808	96,200	-	-	82,808	96,200
Capital Assets not Being Depreciated	1,730,509	2,107,885	-	-	1,730,509	2,107,885
Capital Assets Being Depreciated	3,713,994	3,363,825	-	-	3,713,994	3,363,825
<b>Total Assets</b>	<b>16,820,131</b>	<b>16,391,436</b>	<b>7,006,869</b>	<b>6,227,285</b>	<b>23,827,000</b>	<b>22,618,721</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension	2,635,114	1,900,583	-	-	2,635,114	1,900,583
OPEB	382,604	352,730	-	-	382,604	352,730
<b>Total Deferred Outflows of Resources</b>	<b>3,017,718</b>	<b>2,253,313</b>	<b>-</b>	<b>-</b>	<b>3,017,718</b>	<b>2,253,313</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts Payable	294,254	151,551	7,247	6,568	301,501	158,119
Accrued Wages	205,772	191,086	-	-	205,772	191,086
Accrued Interest	5,475	6,725	-	-	5,475	6,725
Current Portion of Long-term Debt	260,000	250,000	-	-	260,000	250,000
Current Portion of Compensated Absences	161,346	140,181	-	-	161,346	140,181
<b>Total Current Liabilities</b>	<b>926,847</b>	<b>739,543</b>	<b>7,247</b>	<b>6,568</b>	<b>934,094</b>	<b>746,111</b>
<i>Noncurrent Liabilities</i>						
Long-term Debt	835,000	1,095,000	-	-	835,000	1,095,000
Compensated Absences	482,096	459,863	-	-	482,096	459,863
Net OPEB Liability	836,223	713,881	-	-	836,223	713,881
Net Pension Liability	7,788,936	7,181,895	-	-	7,788,936	7,181,895
<b>Total Liabilities</b>	<b>10,869,102</b>	<b>10,190,182</b>	<b>7,247</b>	<b>6,568</b>	<b>10,876,349</b>	<b>10,196,750</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension	389,010	333,191	-	-	389,010	333,191
OPEB	140,042	148,620	-	-	140,042	148,620
Taxes Levied for a Subsequent Period	2,999,986	2,991,445	-	-	2,999,986	2,991,445
<b>Total Deferred Inflows of Resources</b>	<b>3,529,038</b>	<b>3,473,256</b>	<b>-</b>	<b>-</b>	<b>3,529,038</b>	<b>3,473,256</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	4,349,503	4,126,710	-	-	4,349,503	4,126,710
Restricted	2,496,402	1,996,752	-	-	2,496,402	1,996,752
Unrestricted	(1,406,196)	(1,142,151)	6,999,622	6,220,717	5,593,426	5,078,566
<b>Total Net Position</b>	<b>\$ 5,439,709</b>	<b>\$ 4,981,311</b>	<b>\$ 6,999,622</b>	<b>\$ 6,220,717</b>	<b>\$ 12,439,331</b>	<b>\$ 11,202,028</b>

The County's net pension liability increased by \$607,041 as a result of an investment loss of \$656,052 on the County's pension assets during 2018 (a one-year lag exists between the County's year-end and the valuation reports). Pension-related deferred outflows of resources increased by \$734,531 primarily due to \$404,256 of prior year excess earnings that were combined with \$1,602,946 of current year excess losses, which will collectively be deferred and recognized as pension expense over the next four years. The County's total net position increased by 11.0%, or \$1,237,303, from \$11,202,028 to \$12,439,331 for the year ended December 31, 2019. The following table shows the County's revenues, expenses, and changes in net position for each of the past two years:

#### Oceana County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 2,271,268	\$ 3,170,786	\$ 887,984	\$ 914,130	\$ 3,159,252	\$ 4,084,916
Operating Grants and Contributions	1,717,308	1,589,186	-	-	1,717,308	1,589,186
Capital Grants and Contributions	191,055	352,146	-	-	191,055	352,146
<b>General Revenues</b>						
Taxes	10,065,178	9,974,671	-	-	10,065,178	9,974,671
Intergovernmental	552,013	547,017	-	-	552,013	547,017
Interest Income	196,645	129,184	91,874	78,163	288,519	207,347
<b>Total Revenues</b>	<b>14,993,467</b>	<b>15,762,990</b>	<b>979,858</b>	<b>992,293</b>	<b>15,973,325</b>	<b>16,755,283</b>
<b>Expenses</b>						
General Government	5,954,193	5,793,699	-	-	5,954,193	5,793,699
Public Safety	4,809,310	4,850,711	-	-	4,809,310	4,850,711
Public Works	481,521	394,422	-	-	481,521	394,422
Health and Welfare	2,872,395	3,781,884	-	-	2,872,395	3,781,884
Recreation and Culture	51,487	154,327	-	-	51,487	154,327
Community and Economic Development	61,446	62,769	-	-	61,446	62,769
Interest on Long-term Debt	39,351	44,683	-	-	39,351	44,683
Other Expenses	257,288	311,661	209,031	158,018	466,319	469,679
<b>Total Expenses</b>	<b>14,526,991</b>	<b>15,394,156</b>	<b>209,031</b>	<b>158,018</b>	<b>14,736,022</b>	<b>15,552,174</b>
<b>Changes in Net Position Before Transfers</b>	<b>466,476</b>	<b>368,834</b>	<b>770,827</b>	<b>834,275</b>	<b>1,237,303</b>	<b>1,203,109</b>
Net Transfers	(8,078)	(5,000)	8,078	5,000	-	-
<b>Changes in Net Position</b>	<b>458,398</b>	<b>363,834</b>	<b>778,905</b>	<b>839,275</b>	<b>1,237,303</b>	<b>1,203,109</b>
<i>Net Position at the Beginning of Period</i>	<i>4,981,311</i>	<i>4,617,477</i>	<i>6,220,717</i>	<i>5,381,442</i>	<i>11,202,028</i>	<i>9,998,919</i>
<b>Net Position at the End of Period</b>	<b>\$ 5,439,709</b>	<b>\$ 4,981,311</b>	<b>\$ 6,999,622</b>	<b>\$ 6,220,717</b>	<b>\$ 12,439,331</b>	<b>\$ 11,202,028</b>

#### Governmental activities

Governmental activities increased the County's net position by \$458,398. The most significant changes between the current year and prior year was 1) the decrease in charges for services by \$899,518 and 2) the corresponding decrease in health and welfare expenses of by \$909,489. This was due to the transition from direct to contractual delivery of ambulance services. This transition occurred upon the resignation of the county's EMS director, and implementing a temporary agreement with a well-established regional ambulance service to continue operations. The Board of Commissioners researched the viability of a long-term contractual arrangement for ambulance services in an era of constant changes in the health care landscape. After nine months of research and periods of public comment, the Board of Commissioners approved a multi-year agreement for ambulance services. The county's ambulance department was dissolved at the close of business on September 30, 2018 at which time a contractor assumed operations on October 1. Ambulance services joins a historical list of regional approaches to the delivery public services. Examples in the County include courts, health department, community mental health, 911, forensic pathology, and economic development.

In addition, capital grants and contributions decreased by \$161,091 as a result of having less airport project grant funding than the prior year while operating grants and contributions increased by \$128,122 with the most substantial increases being \$50,177 in grant funding within the soldiers' and sailors' relief fund and \$15,211 in child support enforcement grant funding. Recreation and culture expenses decreased by \$102,840 as the WM Field Rail Trail reducing expenditures by \$100,000 compared to the prior year.

### **Business-type activities**

The business-type activities of the County include enterprise fund operations. The change in business-type activities net position increased the County's net position by \$778,905 compared to an increase in net position of \$839,275 in the prior year. There were no significant changes between the two years.

### **Financial Analysis of the Government's Funds**

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

**Governmental funds.** The focus of the County *governmental fund statements* is to provide information on near term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County 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. Unassigned fund balance of the general fund represented 35.6% of total general fund expenditures and transfers out.

General fund balance decreased by \$274,221, from \$5,184,055 to \$4,909,834 during the year. The County collapses certain funds into the general fund for external financial reporting purposes. A combining schedule is provided as supplementary information to show the various components. The decrease in fund balance of the general fund is primarily a result of increased transfers out from \$233,600 in the prior year to \$986,429 in the current year.

The ambulance fund had an increase in fund balance during the year of \$199,359, from \$456,388 to \$655,747. This is a result of decreased revenue from charges for the services with an even greater decrease in ambulance expenditures during the year as mentioned above.

The senior citizens' tax fund had a decrease in fund balance during the year of \$41, from \$56 to \$15. This is a result of an increase in tax revenues and corresponding expenditures of a similar amount.

**Proprietary funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the foreclosure fund at the end of the year was \$2,233,734 and for the delinquent tax revolving fund it was \$4,702,224. The foreclosure and the delinquent tax revolving

funds experienced an increase in net position in the amount of \$294,297 and \$457,707, respectively, consistent when compared to the prior year.

### General Fund Budgetary Highlights

**Original budget compared to final budget.** During the year there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. However, there was a need to make an amendment to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain expenditures. Generally, the movement of the appropriations between departments was *not* significant.

**Final budget compared to actual results.** The County had no expenditure in excess of appropriations during the year ended December 31, 2019.

### Capital Asset and Debt Administration

**Capital assets.** As of December 31, 2019, the County’s investment in capital assets for its governmental activities amounted to \$5,444,503 (net of accumulated depreciation). The investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, and vehicles. The net decrease in the County’s capital assets for its governmental activities during the year was \$27,207, or -0.5%.

Significant capital asset additions during the year included:

- Heating system for the sheriff department
- Final phase of construction on airport runway and terminal
- Patrol car
- Communications upgrade

The following table summarizes the capital assets of the County for each of the past two years:

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Land	\$ 1,730,509	\$ 1,730,509
Construction in progress	-	377,376
Buildings and improvements	2,298,152	2,391,183
Land improvements	640,945	188,800
Equipment and furniture	296,999	202,761
Vehicles	384,912	483,502
Infrastructure	92,986	97,579
<b>Total</b>	<b>\$ 5,444,503</b>	<b>\$ 5,471,710</b>

Additional information on the County’s capital assets can be found in Note 6 to the financial statements.

**Long-term debt.** As of December 31, 2019, the County had long-term debt outstanding of \$1,095,000 in its governmental activities, exclusive of compensated absences. At a minimum, all bonds are backed by the County's full faith and credit.

The County's total long-term debt decreased by \$250,000 during the year ended December 31, 2019. State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The County is under its legal debt limit as of December 31, 2019.

Additional information on the County's long-term debt can be found in Note 7 to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

Management estimates that \$10,519,145 of revenues will be available for appropriation in the general fund in the upcoming budget. Expenditures are expected to change by small amounts compared to 2019. The County continues to review all budget line items for opportunities to reduce expenditures when possible. The budget will be monitored during the year to identify any necessary amendments. Management is also in the process of determining the significance of the COVID 19 Pandemic's impact on future revenues and expenditures.

### **Requests for Information**

This financial report is designed to provide a general overview of the County 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 financial information should be addressed to:

Robert Sobie, Ph.D., Oceana County Administrator/Fiscal Officer  
100 State Street  
Suite M-4  
Hart, Michigan 49420

Phone | (231) 873-4835, extension 6702

## **BASIC FINANCIAL STATEMENTS**

**Oceana County  
Statement of Net Position  
December 31, 2019**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Investments	\$ 7,605,481	\$ 5,702,557	\$ 13,308,038	\$ 5,902,140
Taxes Receivable	3,271,977	1,304,312	4,576,289	2,756,005
Accounts Receivable	123,046	--	123,046	1,587,137
Special Assessments Receivable	--	--	--	307,223
Due from Other Governments	209,695	--	209,695	1,266,611
Prepays	82,621	--	82,621	75,252
Inventory	--	--	--	282,053
<b>Total Current Assets</b>	<b>11,292,820</b>	<b>7,006,869</b>	<b>18,299,689</b>	<b>12,176,421</b>
<i>Noncurrent Assets</i>				
Restricted Investments	--	--	--	364,466
Advances to Other Governmental Units	82,808	--	82,808	--
Capital Asset not Being Depreciated	1,730,509	--	1,730,509	221,915
Capital Assets Being Depreciated	3,713,994	--	3,713,994	43,112,644
<b>Total Assets</b>	<b>16,820,131</b>	<b>7,006,869</b>	<b>23,827,000</b>	<b>55,875,446</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB Related	382,604	--	382,604	--
Pension Related	2,635,114	--	2,635,114	1,780,358
<b>Total Deferred Outflows of Resources</b>	<b>3,017,718</b>	<b>--</b>	<b>3,017,718</b>	<b>1,780,358</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	294,254	7,247	301,501	1,171,185
Accrued Wages	205,772	--	205,772	452,537
Accrued Interest	5,475	--	5,475	465
Current Portion of Long-term Debt	260,000	--	260,000	111,371
Other Liabilities	--	--	--	417,994
Current Portion of Compensated Absences	161,346	--	161,346	483,888
<b>Total Current Liabilities</b>	<b>926,847</b>	<b>7,247</b>	<b>934,094</b>	<b>2,637,440</b>
<i>Noncurrent Liabilities</i>				
Advances from Other Governmental Units	--	--	--	82,808
Residents' Trust Payable	--	--	--	3,872
Compensated Absences	482,096	--	482,096	7,965
Long-term Debt	835,000	--	835,000	1,255,925
Net OPEB Liability	836,223	--	836,223	316,653
Net Pension Liability	7,788,936	--	7,788,936	4,587,974
<b>Total Liabilities</b>	<b>10,869,102</b>	<b>7,247</b>	<b>10,876,349</b>	<b>8,892,637</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB Related	140,042	--	140,042	315,227
Pension Related	389,010	--	389,010	154,748
Taxes Levied for a Subsequent Period	2,999,986	--	2,999,986	3,060,414
<b>Total Deferred Inflows of Resources</b>	<b>3,529,038</b>	<b>--</b>	<b>3,529,038</b>	<b>3,530,389</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	4,349,503	--	4,349,503	41,967,263
<i>Restricted for:</i>				
Public Works	--	--	--	619,910
Other Purposes	2,496,402	--	2,496,402	348,550
<i>Unrestricted</i>	(1,406,196)	6,999,622	5,593,426	2,297,055
<b>Total Net Position</b>	<b>\$ 5,439,709</b>	<b>\$ 6,999,622</b>	<b>\$ 12,439,331</b>	<b>\$ 45,232,778</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Oceana County**  
**Statement of Activities**  
**For the Year Ended December 31, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities:</b>								
General Government	\$ 5,954,193	\$ 1,235,360	\$ 1,381,134	\$ --	\$ (3,337,699)	\$ --	\$ (3,337,699)	\$ --
Public Safety	4,809,310	565,700	167,688	30,000	(4,045,922)	--	(4,045,922)	--
Public Works	481,521	216,626	--	161,055	(103,840)	--	(103,840)	--
Health and Welfare	2,872,395	154,129	168,236	--	(2,550,030)	--	(2,550,030)	--
Community and Economic Development	61,446	89,782	250	--	28,586	--	28,586	--
Recreation and Culture	51,487	9,671	--	--	(41,816)	--	(41,816)	--
Other Expenses	257,288	--	--	--	(257,288)	--	(257,288)	--
Interest on Long-term Debt	39,351	--	--	--	(39,351)	--	(39,351)	--
<b>Total Governmental Activities</b>	<b>14,526,991</b>	<b>2,271,268</b>	<b>1,717,308</b>	<b>191,055</b>	<b>(10,347,360)</b>	<b>--</b>	<b>(10,347,360)</b>	<b>--</b>
<b>Business-type Activities:</b>								
Foreclosure	115,920	373,214	--	--	--	257,294	257,294	--
Homestead Denial	--	2,824	--	--	--	2,824	2,824	--
Delinquent Tax Revolving	8,869	409,178	--	--	--	400,309	400,309	--
Housing Commission	15,000	--	--	--	--	(15,000)	(15,000)	--
Jail Commissary	69,242	102,768	--	--	--	33,526	33,526	--
<b>Total Business-type Activities</b>	<b>209,031</b>	<b>887,984</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>678,953</b>	<b>678,953</b>	<b>--</b>
<b>Total Primary Government</b>	<b>\$ 14,736,022</b>	<b>\$ 3,159,252</b>	<b>\$ 1,717,308</b>	<b>\$ 191,055</b>	<b>\$ (10,347,360)</b>	<b>\$ 678,953</b>	<b>\$ (9,668,407)</b>	<b>--</b>
<b>Component Units</b>								
Total Component Units	\$ 32,535,073	\$ 17,146,781	\$ 9,004,247	\$ 4,069,559	--	--	--	(2,314,486)
<b>Total Component Units</b>	<b>\$ 32,535,073</b>	<b>\$ 17,146,781</b>	<b>\$ 9,004,247</b>	<b>\$ 4,069,559</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(2,314,486)</b>
<b>General Purpose Revenues and Transfers:</b>								
<b>Revenues</b>								
Taxes					10,065,178	--	10,065,178	2,991,188
Intergovernmental					552,013	--	552,013	--
Interest Income					196,645	91,874	288,519	102,963
<b>Transfers</b>					<b>(8,078)</b>	<b>8,078</b>	<b>--</b>	<b>--</b>
<b>Total General Revenues and Transfers</b>					<b>10,805,758</b>	<b>99,952</b>	<b>10,905,710</b>	<b>3,094,151</b>
<b>Change in Net Position</b>					<b>458,398</b>	<b>778,905</b>	<b>1,237,303</b>	<b>779,665</b>
<i>Net Position at Beginning of Period (Restated, Note 14)</i>					<i>4,981,311</i>	<i>6,220,717</i>	<i>11,202,028</i>	<i>44,453,113</i>
<b>Net Position at End of Period</b>					<b>\$ 5,439,709</b>	<b>\$ 6,999,622</b>	<b>\$ 12,439,331</b>	<b>\$ 45,232,778</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Oceana County  
Balance Sheet  
Governmental Funds  
December 31, 2019**

	<u>Special Revenue</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Ambulance Fund</u>	<u>Senior Citizens' Tax</u>		
<b>ASSETS</b>					
Cash and Investments	\$ 4,678,951	\$ 804,317	\$ 122,523	\$ 1,999,690	\$ 7,605,481
Taxes Receivable	572,442	1,103,446	1,109,244	486,845	3,271,977
Accounts Receivable	116,059	2,577	--	4,410	123,046
Due from Other Governments	194,261	--	--	15,434	209,695
Prepays	64,119	--	--	18,502	82,621
Advances to Other Governmental Units	82,808	--	--	--	82,808
<b>Total Assets</b>	<b><u>\$ 5,708,640</u></b>	<b><u>\$ 1,910,340</u></b>	<b><u>\$ 1,231,767</u></b>	<b><u>\$ 2,524,881</u></b>	<b><u>\$ 11,375,628</u></b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 196,357	\$ 27,775	\$ --	\$ 70,122	\$ 294,254
Accrued Wages	191,673	--	--	14,099	205,772
<b>Total Liabilities</b>	<b><u>388,030</u></b>	<b><u>27,775</u></b>	<b><u>--</u></b>	<b><u>84,221</u></b>	<b><u>500,026</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	410,776	--	--	--	410,776
Taxes Levied for a Subsequent Period	--	1,226,818	1,231,752	541,416	2,999,986
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b><u>798,806</u></b>	<b><u>1,254,593</u></b>	<b><u>1,231,752</u></b>	<b><u>625,637</u></b>	<b><u>3,910,788</u></b>
<b>FUND BALANCE</b>					
Nonspendable	146,927	--	--	18,502	165,429
Restricted	63,446	655,747	15	1,757,936	2,477,144
Committed	800,000	--	--	122,806	922,806
Unassigned	3,899,461	--	--	--	3,899,461
<b>Total Fund Balance</b>	<b><u>4,909,834</u></b>	<b><u>655,747</u></b>	<b><u>15</u></b>	<b><u>1,899,244</u></b>	<b><u>7,464,840</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b><u>\$ 5,708,640</u></b>	<b><u>\$ 1,910,340</u></b>	<b><u>\$ 1,231,767</u></b>	<b><u>\$ 2,524,881</u></b>	<b><u>\$ 11,375,628</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Oceana County**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2019**

Total Fund Balance - Governmental Funds	\$	7,464,840
General government capital assets of \$12,153,908, net of accumulated depreciation of \$6,709,405, are not financial resources and, accordingly, are not reported in the funds.		5,444,503
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.		(5,475)
Long-term liabilities are not due any payable in the current period and, therefore, are not reported in the funds.		(1,095,000)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(643,442)
The net OPEB liability, and OPEB related deferrals, are not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds.		(593,661)
The net pension liability, and pension related deferrals, are not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds.		(5,542,832)
Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds.		410,776
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>5,439,709</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Oceana County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	<u>Special Revenue</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Ambulance Fund</u>	<u>Senior Citizens' Tax</u>		
<b>Revenues</b>					
Taxes	\$ 7,180,944	\$ 1,196,840	\$ 1,203,004	\$ 529,259	\$ 10,110,047
Licenses and Permits	29,138	--	--	416,455	445,593
Intergovernmental	1,768,254	--	--	491,313	2,259,567
Charges for Services	1,167,328	24,541	--	200,991	1,392,860
Fines and Forfeits	25,637	--	--	3,500	29,137
Interest and Rents	170,169	21,503	255	23,290	215,217
Other Revenue	264,899	110,431	--	49,530	424,860
<b>Total Revenues</b>	<u>10,606,369</u>	<u>1,353,315</u>	<u>1,203,259</u>	<u>1,714,338</u>	<u>14,877,281</u>
<b>Expenditures</b>					
General Government	5,273,966	--	--	621,885	5,895,851
Public Safety	3,868,546	--	--	722,095	4,590,641
Public Works	385,570	--	--	--	385,570
Health and Welfare	91,096	1,130,206	1,203,300	409,565	2,834,167
Community and Economic Development	61,421	--	--	25	61,446
Recreation and Culture	40,420	--	--	--	40,420
Other Expenditures	257,288	--	--	--	257,288
Debt Service - Principal	--	--	--	250,000	250,000
Debt Service - Interest	--	--	--	40,601	40,601
Capital Outlay	--	--	--	178,378	178,378
<b>Total Expenditures</b>	<u>9,978,307</u>	<u>1,130,206</u>	<u>1,203,300</u>	<u>2,222,549</u>	<u>14,534,362</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>628,062</u>	<u>223,109</u>	<u>(41)</u>	<u>(508,211)</u>	<u>342,919</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	84,146	--	--	1,012,526	1,096,672
Transfers Out	(986,429)	(23,750)	--	(94,571)	(1,104,750)
<b>Net Other Financing Sources (Uses)</b>	<u>(902,283)</u>	<u>(23,750)</u>	<u>--</u>	<u>917,955</u>	<u>(8,078)</u>
<b>Net Change in Fund Balance</b>	<u>(274,221)</u>	<u>199,359</u>	<u>(41)</u>	<u>409,744</u>	<u>334,841</u>
<b>Fund Balance at Beginning of Period</b>	5,184,055	456,388	56	1,489,500	7,129,999
<b>Fund Balance at End of Period</b>	<u>\$ 4,909,834</u>	<u>\$ 655,747</u>	<u>\$ 15</u>	<u>\$ 1,899,244</u>	<u>\$ 7,464,840</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Oceana County**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended December 31, 2019**

Total Net Change in Fund Balances - Governmental Funds	\$	334,841
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position.		1,250
Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$424,239 exceeds capital outlay of \$235,963 and federal and state capital grant contributions of \$161,069.		(27,207)
Repayment of bond principal is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position.		250,000
The statement of activities reports changes to net OPEB liability and OPEB related deferrals as OPEB expense; however, the expenditures recorded on the governmental funds equals actual OPEB contributions.		(83,890)
Change to compensated absences are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.		(43,398)
The statement of activities reports changes to net pension liability and pension related deferrals as pension expense; however, the expenditures recorded on the governmental funds equals actual pension contributions.		71,671
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources.		(44,869)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>458,398</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Oceana County  
Statement of Net Position  
Proprietary Funds  
December 31, 2019**

**Business-type Activities - Enterprise Funds**

	<u>Foreclosure</u>	<u>Delinquent Tax Revolving</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Investments	\$ 2,240,981	\$ 3,397,912	\$ 63,664	\$ 5,702,557
Taxes Receivable	--	1,304,312	--	1,304,312
<b>Total Assets</b>	<u>2,240,981</u>	<u>4,702,224</u>	<u>63,664</u>	<u>7,006,869</u>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	<u>7,247</u>	--	--	<u>7,247</u>
<b>Total Liabilities</b>	<u>7,247</u>	--	--	<u>7,247</u>
<b>NET POSITION</b>				
<i>Unrestricted</i>	<u>2,233,734</u>	<u>4,702,224</u>	<u>63,664</u>	<u>6,999,622</u>
<b>Total Net Position</b>	<u>\$ 2,233,734</u>	<u>\$ 4,702,224</u>	<u>\$ 63,664</u>	<u>\$ 6,999,622</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Oceana County**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2019**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Foreclosure</b>	<b>Delinquent Tax Revolving</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>
<b>Operating Revenues</b>				
Interest and Penalties on Delinquent Taxes	\$ --	\$ 409,178	\$ --	\$ 409,178
Charges for Services	373,214	--	105,592	478,806
<b>Total Operating Revenues</b>	<b>373,214</b>	<b>409,178</b>	<b>105,592</b>	<b>887,984</b>
<b>Operating Expenses</b>				
Operations	115,920	8,869	84,242	209,031
<b>Total Operating Expenses</b>	<b>115,920</b>	<b>8,869</b>	<b>84,242</b>	<b>209,031</b>
<b>Operating Income (Loss)</b>	<b>257,294</b>	<b>400,309</b>	<b>21,350</b>	<b>678,953</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Income	34,450	57,398	26	91,874
<b>Net Non-Operating Revenues (Expenses)</b>	<b>34,450</b>	<b>57,398</b>	<b>26</b>	<b>91,874</b>
<b>Income Before Contributions and Transfers</b>	<b>291,744</b>	<b>457,707</b>	<b>21,376</b>	<b>770,827</b>
Transfers In	2,553	--	15,000	17,553
Transfers Out	--	--	(9,475)	(9,475)
<b>Change In Net Position</b>	<b>294,297</b>	<b>457,707</b>	<b>26,901</b>	<b>778,905</b>
<i>Net Position at Beginning of Period</i>	1,939,437	4,244,517	36,763	6,220,717
<b>Net Position at End of Period</b>	<b>\$ 2,233,734</b>	<b>\$ 4,702,224</b>	<b>\$ 63,664</b>	<b>\$ 6,999,622</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Oceana County  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Foreclosure</b>	<b>Delinquent Tax Revolving</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers	\$ 373,214	\$ 456,848	\$ 105,592	\$ 935,654
Cash Paid to Suppliers	(115,241)	(8,869)	(84,242)	(208,352)
<b>Net Cash Provided by Operating Activities</b>	<u>257,973</u>	<u>447,979</u>	<u>21,350</u>	<u>727,302</u>
<b>Cash Flows from Noncapital and Related Financing Activities</b>				
Transfers, Net	2,553	-	5,525	8,078
<b>Net Cash Provided by Noncapital and Related Financing Activities</b>	<u>2,553</u>	<u>-</u>	<u>5,525</u>	<u>8,078</u>
<b>Cash Flows from Investing Activities</b>				
Interest Income	34,450	57,398	26	91,874
<b>Net Cash Provided by Investing Activities</b>	<u>34,450</u>	<u>57,398</u>	<u>26</u>	<u>91,874</u>
Net Increase in Cash Equivalents	294,976	505,377	26,901	827,254
Cash and Investments - Beginning of the Year	1,946,005	2,892,535	36,763	4,875,303
<b>Cash and Investments - End of the Year</b>	<u>\$ 2,240,981</u>	<u>\$ 3,397,912</u>	<u>\$ 63,664</u>	<u>\$ 5,702,557</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating Income	\$ 257,294	\$ 400,309	\$ 21,350	\$ 678,953
<b>Adjustments to Reconcile Operating Income to Net Cash</b>				
<b>Change in Assets and Liabilities:</b>				
Taxes Receivable	-	47,670	-	47,670
Accounts Payable	679	-	-	679
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 257,973</u>	<u>\$ 447,979</u>	<u>\$ 21,350</u>	<u>\$ 727,302</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Oceana County**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2019**

	<b>Agency</b>
<b>ASSETS</b>	
Cash and Investments	\$ 380,302
Accounts Receivable	10,176
<i>Total Assets</i>	390,478
<b>LIABILITIES</b>	
Assets Held on Behalf of Others	390,478
<i>Total Liabilities</i>	\$ 390,478

The Notes to the Financial Statements are an integral part of these Financial Statements

**Oceana County  
Statement of Net Position  
Component Units  
December 31, 2019**

	<u>Road Commission</u>	<u>Land Bank</u>	<u>Drainage Districts</u>	<u>Medical Care Facility</u>	<u>Total Component Units</u>
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and Investments	\$ 341,880	\$ 21,166	\$ 411,089	\$ 5,128,005	\$ 5,902,140
Taxes Receivable	--	--	--	2,756,005	2,756,005
Accounts Receivable	--	--	--	1,587,137	1,587,137
Special Assessments Receivable	--	--	307,223	--	307,223
Due from Other Governments	1,266,611	--	--	--	1,266,611
Prepays	--	--	--	75,252	75,252
Inventory	188,326	3,253	--	90,474	282,053
<b>Total Current Assets</b>	<b>1,796,817</b>	<b>24,419</b>	<b>718,312</b>	<b>9,636,873</b>	<b>12,176,421</b>
<i>Noncurrent Assets</i>					
Restricted Investments	--	--	--	364,466	364,466
Capital Asset not Being Depreciated	62,094	--	--	159,821	221,915
Capital Assets Being Depreciated	24,831,974	--	2,292,441	15,988,229	43,112,644
<b>Total Assets</b>	<b>26,690,885</b>	<b>24,419</b>	<b>3,010,753</b>	<b>26,149,389</b>	<b>55,875,446</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related	--	--	--	1,780,358	1,780,358
<b>Total Deferred Outflows of Resources</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,780,358</b>	<b>1,780,358</b>
<b>LIABILITIES</b>					
<i>Current Liabilities</i>					
Accounts Payable	456,284	--	10,967	703,934	1,171,185
Accrued Wages	--	--	--	452,537	452,537
Accrued Interest	--	--	465	--	465
Current Portion of Long-term Debt	100,793	--	10,578	--	111,371
Other Liabilities	324,875	--	--	93,119	417,994
Current Portion of Compensated Absences	100,938	--	1,818	381,132	483,888
<b>Total Current Liabilities</b>	<b>982,890</b>	<b>--</b>	<b>23,828</b>	<b>1,630,722</b>	<b>2,637,440</b>
<i>Noncurrent Liabilities</i>					
Advances from Other Governmental Units	--	--	82,808	--	82,808
Residents' Trust Payable	--	--	--	3,872	3,872
Compensated Absences	5,621	--	2,344	--	7,965
Long-term Debt	1,224,193	--	31,732	--	1,255,925
Net OPEB Liability	316,653	--	--	--	316,653
Net Pension Liability	--	--	--	4,587,974	4,587,974
<b>Total Liabilities</b>	<b>2,529,357</b>	<b>--</b>	<b>140,712</b>	<b>6,222,568</b>	<b>8,892,637</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
OPEB Related	315,227	--	--	--	315,227
Pension Related	--	--	--	154,748	154,748
Taxes Levied for a Subsequent Period	--	--	--	3,060,414	3,060,414
<b>Total Deferred Inflows of Resources</b>	<b>315,227</b>	<b>--</b>	<b>--</b>	<b>3,215,162</b>	<b>3,530,389</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	23,569,082	--	2,250,131	16,148,050	41,967,263
<i>Public Works</i>	--	--	619,910	--	619,910
Other Purposes	--	24,419	--	324,131	348,550
<i>Unrestricted</i>	277,219	--	--	2,019,836	2,297,055
<b>Total Net Position</b>	<b>\$ 23,846,301</b>	<b>\$ 24,419</b>	<b>\$ 2,870,041</b>	<b>\$ 18,492,017</b>	<b>\$ 45,232,778</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Oceana County  
Statement of Activities  
Component Units  
For the Year Ended December 31, 2019**

	<u>Road Commission</u>	<u>Economic Development Corporation</u>	<u>Land Bank</u>	<u>Drainage Districts</u>	<u>Medical Care Facility</u>	<u>Total Component Units</u>
<b>Expenses</b>						
General Government	\$ --	\$ --	\$ 515	\$ --	\$ --	\$ 515
Public Works	12,898,952	--	--	297,296	--	13,196,248
Health and Welfare	--	--	--	--	19,217,960	19,217,960
Community and Economic Development	--	115,946	--	--	--	115,946
Interest on Long-term Debt	--	--	--	4,404	--	4,404
<b>Total Expenses</b>	<u>12,898,952</u>	<u>115,946</u>	<u>515</u>	<u>301,700</u>	<u>19,217,960</u>	<u>32,535,073</u>
<b>Program Revenues</b>						
Charges for Services	1,430,450	10,825	2,210	145,326	15,557,970	17,146,781
Operating Grants and Contributions	7,346,870	50,000	--	--	1,607,377	9,004,247
Capital Grants and Contributions	4,069,559	--	--	--	--	4,069,559
<b>Total Program Revenues</b>	<u>12,846,879</u>	<u>60,825</u>	<u>2,210</u>	<u>145,326</u>	<u>17,165,347</u>	<u>30,220,587</u>
<b>Net Program Revenues (Expenses)</b>	<u>(52,073)</u>	<u>(55,121)</u>	<u>1,695</u>	<u>(156,374)</u>	<u>(2,052,613)</u>	<u>(2,314,486)</u>
<b>General Revenue</b>						
Taxes	--	--	1,675	--	2,989,513	2,991,188
Interest Income	22,459	--	--	3,319	77,185	102,963
<b>Total General Revenues</b>	<u>22,459</u>	<u>--</u>	<u>1,675</u>	<u>3,319</u>	<u>3,066,698</u>	<u>3,094,151</u>
<b>Change in Net Position</b>	<u>(29,614)</u>	<u>(55,121)</u>	<u>3,370</u>	<u>(153,055)</u>	<u>1,014,085</u>	<u>779,665</u>
<i>Net Position at Beginning of Period</i>	23,875,915	55,121	21,049	3,023,096	17,477,932	44,453,113
<b>Net Position at End of Period</b>	<u>\$ 23,846,301</u>	<u>\$ --</u>	<u>\$ 24,419</u>	<u>\$ 2,870,041</u>	<u>\$ 18,492,017</u>	<u>\$ 45,232,778</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

## **NOTES TO FINANCIAL STATEMENTS**

## Oceana County

### Notes to the Financial Statements

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#### **Note 1 - Description of County Operations and Summary of Significant Accounting Policies**

Oceana County, Michigan (the “County” or “government”) was incorporated in 1855 and covers an area of approximately 1,296 square miles with the County seat located in the City of Hart. The County operates under an elected Board of Commissioners and provides services to its more than 26,800 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services.

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

#### ***Financial Reporting Entity***

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the County (primary government) and its component units. The component units described in the sections below are included in the County’s reporting entity because of the significance of their operational or financial relationship with the County. Blended component units, although legally separate entities are, in substance, part of the County’s operations, so 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 government-wide financial statements to emphasize that they are legally separate from the County.

#### ***Blended Component Units***

The *Oceana County Building Authority (the “Building Authority”)* is governed by a five-member board appointed by the County Board of Commissioners. Although it is legally separate from the County, the Building Authority is reported as if it were part of the (blended) primary government because its sole purpose is to finance and construct the County’s public buildings. The Building Authority does not have any current on-going projects within the County.

#### ***Discretely Presented Component Units***

These component units are reported in a separate column to emphasize that, while legally separate, the County remains financially accountable for these entities, or the nature and significance of the relationship between these entities and the County is such that exclusion of these entities would render the financial statements misleading or incomplete. These entities are reflected as discretely presented component units in accordance with applicable GASB standards.

The *Oceana County Road Commission (the “Road Commission”)* maintains local, state, and federal trunklines within Oceana County. The Road Commission operations are financed primarily

## Oceana County

### Notes to the Financial Statements

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from the State distribution of gas and weight taxes, federal financial assistance, and contributions from other local governmental units within the County. The five members of the Board of Road Commissioners are elected. This component unit is audited individually and the financial statements of the Road Commission may be obtained from the administrative office of the Road Commission located at 3501 W. Polk, Hart, MI 49420, or from the Oceana County Clerk's office located within the County Government Complex.

The *Oceana County Drainage Districts (the "Drainage Districts")* come under the jurisdiction of the Oceana County Drain Commissioner. This includes planning, developing, and maintaining surface water drainage systems. A complete file of finance, construction, and maintenance is maintained for each of the drains. The Drain Commissioner has authority to spend up to \$5,000 per mile on drain maintenance without Board of Commission approval and without going through the State of Michigan Local Audit and Finance Division. The Drain Commissioner has authority to levy special assessments on properties benefiting from maintenance. The Drainage Districts are not audited separately.

The *Oceana County Board of Public Works (the "Board of Public Works")* can acquire, improve, operate, and maintain water and sewage disposal systems for local units of government and has the responsibility of administering the various local unit public works construction projects and the associated debt service funds under the provision of Act 185 of the Public Acts of 1957. The Board of Public Works is financially accountable to the County because all general obligation bond issuances require County authorization and are backed by the full faith and credit of the County. The Board of Public Works is not audited separately.

The *Oceana County Economic Development Corporation (the "EDC")*, which was established pursuant to the provisions of Public Act 338 of 1974, as amended, is governed by a thirteen person Board of Directors appointed by the County Board of Commissioners. The EDC is fiscally dependent on the County and may not issue debt without the County's approval. The EDC is not audited separately. The EDC has recently been mostly an inactive agency and thus has been dissolved during the current year ended December 31, 2019. In its place will be an independent nonprofit agency that may receive tax exempt status from the IRS. This is the final year that the EDC will appear as a component unit on the County's financial statements.

The *Oceana County Medical Care Facility (the "Medical Care Facility")* is governed by a three-member board and is responsible for establishing policies and oversight of the Medical Care Facility. The County appoints two board members and the State of Michigan appoints a third. A Medical Care Facility administrator manages the daily operations of the Medical Care Facility. The Medical Care Facility is audited individually and the audited financial statements can be obtained at the Medical Care Facility Administrative offices or at the County Clerk's office.

#### *Joint Ventures*

The *District 10 Health Department (the "Health Department")* is a joint venture between ten counties, as detailed in the formation agreement between the counties, and was established to

## Oceana County

### Notes to the Financial Statements

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provide public health services to the ten county regions. A copy of the agreement can be obtained at the County clerk's office. Oceana County appoints two of the twenty members. All ten counties provide annual appropriations and pass-through the statutory amount of cigarette tax funding to subsidize operations. Oceana County's contribution for the year ended December 31, 2019 was \$167,724. The financial operations of the Health Department are issued under separate cover and can be obtained at the Health Department's offices.

The *Mason-Oceana 911 Authority (the "Authority")*, which is a joint venture between the counties of Mason and Oceana, and the Michigan State Police, is governed by an eleven member board. Five board members are appointed by each of the participating governmental units and one board member is appointed by the Michigan State Police. The Authority has responsibility for preparing the annual budget and to carry out all activities of the Authority. The Authority's intent is to support and operate primarily with funds generated from operations (i.e., telephone surcharge fees). The financial activities of the Authority are audited separately. The joint venture's audited financial statements can be obtained from the County or at the Authority office.

#### *Jointly Governed Organizations*

The County, in conjunction with twenty-nine other counties, has entered into an agreement that created the *Lakeshore Regional Entity*. This organization's Board is composed of thirty members, of which one is appointed by the County. The County's financial responsibility is to pass through a portion of the convention and tourism revenues received to the Lakeshore Regional Entity. For the year ended December 31, 2019, the County passed through \$43,297. A copy of their audited financial statements may be obtained at their administrative offices.

The *West Michigan Community Mental Health System* provides comprehensive mental health services to Lake, Mason, and Oceana counties. Operating revenues are derived from federal, state, and local governments as well as from fees for services. The West Michigan Community Mental Health System is governed by a twelve member Board appointed by the Board of Commissioners of the three counties it services. Oceana County appropriated \$130,000 as its operating contribution to the West Michigan Community Mental Health System for the County's year ended December 31, 2019. A copy of their audited financial statements may be obtained at their administrative offices.

*Senior Resources of West Michigan ("Senior Resources")* is the Area Agency on Aging for Oceana, Muskegon, and Ottawa counties and provides a comprehensive and coordinated system of care for older persons residing in those counties. Operating revenues are derived from federal, state, and local governments as well as client contributions and fees for services. Senior Resources is governed by a Board of Directors of no less than fifteen, of which three are from the County. One director of each county's representation is appointed by the county commissions of Oceana, Muskegon, and Ottawa. A copy of Senior Resources' audited financial statements is available upon request at their administrative offices. The County did not contribute to Senior Resources for the year ended December 31, 2019.

## Oceana County

### Notes to the Financial Statements

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*Muskegon-Oceana CAP, Inc.* is a non-profit corporation formed under the laws of the State of Michigan. This organization's Board is composed of twelve members, of which one is appointed by the County. The organization receives all of its funding from state and federal grants and, as a result, the County has no financial responsibility other than potential liability related to appropriate use of the federal funds passed through to Muskegon-Oceana CAP, Inc. A copy of their audited financial statements may be obtained at their administrative offices.

#### ***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. 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.

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, except for agency funds which do not have a measurement focus. 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

## Oceana County

### Notes to the Financial Statements

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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 and compensated absences expenditures are recorded only when payment is due.

Property taxes, state revenue sharing, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so 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 County.

The County reports the following major governmental funds:

The *general fund* is the County's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.

The *ambulance fund* is used to account for expenditures incurred related to emergency services that are financed primarily through property taxes and user charges restricted to cover these expenditures.

The *senior citizens' tax fund* is used to account for expenditures incurred related to senior services that are financed primarily through property taxes and user charges restricted to cover these expenditures.

The County reports the following major enterprise funds:

The *foreclosure fund* accounts for the County's share of delinquent taxes, penalties, and interest due from the sale of foreclosed properties.

The *delinquent tax revolving fund* accounts for money advanced by the County to other local taxing units and various County funds to pay for their delinquent real property taxes. Revenues are generated by the collection of the delinquent real property taxes, penalties, and interest.

Additionally, the County reports the following fund types:

The *special revenue funds* are used to account for the proceeds of specific revenue sources (other than permanent trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The *capital projects funds* account for the accumulation and disbursement of resources for the construction of governmental fund capital projects.

The *debt service funds* are used to account for all financial resources restricted, committed, or assigned to expenditure for principal and interest.

## Oceana County

### Notes to the Financial Statements

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The *permanent funds* are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the County programs.

The *agency funds* are used to account for the collection and disbursement of funds that are collected on behalf of outside governments or other parties.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 are charges for services. Operating expenses for the enterprise funds include depreciation on capital assets, labor, supplies and contracted services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### ***Cash and Investments***

The County pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest bearing certificates of deposits and disclosed as part of the County's cash equivalents or investments depending on the original maturity date. Cash and cash equivalents consist of petty cash, checking accounts, temporary investments in certificates of deposit, and money market savings accounts all with original maturities of 90 days or less. Earnings from deposits are allocated to numerous funds as required by federal regulations, state statutes, and local ordinances.

Investments are reported at fair value.

#### ***Receivables***

Receivables consist of amounts due from governmental units for various financial assistance programs and accounts receivable related to charges for services, special assessments, and notes and leases receivable made in connection with various programs.

#### ***Prepays***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids.

## Oceana County

### Notes to the Financial Statements

#### *Capital Assets*

Capital assets are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements under the governmental activities and component unit columns. Capital assets are those with an individual initial cost of \$5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Years</u>
Buildings and improvements	5 - 40
Land improvements	3 - 40
Equipment and furniture	5 - 20
Vehicles	5 - 10
Infrastructure	35 - 40

#### *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category, pension and OPEB related deferred outflows. The government-wide statements report deferred outflows from the difference between projected and actual investment earnings of the pension plan, the differences in expected and actual experience, the changes in actuarial assumptions, and the County contributions made after the measurement date of the net pension liability. Additionally, the government-wide statements report deferred outflows from the difference between projected and actual investment earnings and the changes in actuarial assumptions of the County's OPEB plan.

In addition to liabilities, the fund level balance sheet and / or the statement of net 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 fund balance/net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods. The governmental fund financial statements also include receivables not collected within 60 days of

**Oceana County**  
Notes to the Financial Statements

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year-end (unavailable revenues) as a deferred inflow. Additionally, the government-wide statements report deferred inflows from the difference between projected and actual experience of the County's OPEB and pension plans.

***Long-term Obligations***

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as long-term.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

***Advances to Other Funds/Component Units (i.e., Other Governmental Units)***

Long-term advances from certain funds to other funds or other governmental units (i.e. component units) are made to finance new activities during their initial operations and to finance capital acquisitions. In the general fund, nonspendable fund balance is shown for the amount of advances made to reflect the fund balance not currently available for expenditure.

***Compensated Absences***

In accordance with the County personnel policies and/or contracts negotiated with the various employee groups of the County, including certain component units, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the respective personnel policies and/or contracts.

Vested vacation and sick leave earned as of December 31, 2019, including related payroll taxes, is recorded in the government-wide financial statements.

***Interfund Transactions***

During the course of normal operations, the County has numerous transactions between funds, 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.

***Property Taxes***

The County property tax is levied each December 1 and July 1 on the taxable valuation of property

**Oceana County**  
Notes to the Financial Statements

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located in the County as of the preceding December 31.

The County's summer 2019 ad valorem taxes were levied and collectible on July 1, 2019. It is the County's policy to recognize revenues from the tax levy in the year when the proceeds of the levy are budgeted and made available for the financing of County operations. As a result, the County's summer 2019 tax levy has been recognized as revenue in the current fiscal year. The 2019 adjusted taxable value of the County amounted to approximately \$1,231,703,501 on which ad valorem taxes levied for County general operating purposes consisted of 5.7500 mills. The Council on Aging levied 1.000 mills, the ambulance fund levied 0.9948 mills, the soldiers' and sailors' relief fund levied 0.1000 mills, and the 9-1-1 fund levied 0.1398 mills.

By resolution of the Board of Commissioners and agreement with various taxing authorities, the County purchased at face value the real property taxes receivable returned delinquent on March 1, 2019. Subsequent collections of delinquent taxes receivable, plus interest thereon and investment earnings, are used to repay the funds distributed by the delinquent tax revolving fund. This activity is accounted for in the delinquent tax revolving (enterprise) fund.

***Net Position Flow Assumption***

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

***Fund Balance Flow Assumptions***

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Governmental funds report

## Oceana County

### Notes to the Financial Statements

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*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. Nonspendable fund balance would be equal to inventory, prepaid items, interfund advances, and the nonspendable portion of endowments. *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. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision making authority. The Board of Commissioners is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Commissioners, or the County Administrator as delegated by the Board of Commissioners, may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned fund balance* is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the Board of Commissioners. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, the unassigned classification is used only to report a deficit.

#### ***Budgets and Budgetary Accounting***

Budgets are adopted on a basis consistent with the modified accrual basis used to reflect actual results in the fund financial statements. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types.

The County employs the following procedures in establishing budgets:

- a. Prior to October 1, County departments in conjunction with the County Administrator's Office, prepare and submit their proposed operating budgets to the Finance Committee of the Whole who reviews and makes recommendations for the fiscal year commencing the following January 1. The operating budgets include proposed expenditures and resources to finance them.

**Oceana County**  
Notes to the Financial Statements

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- b. A public hearing is conducted to obtain taxpayers' comments.
- c. Prior to December 31, the budgets are legally enacted through passage of a budget resolution.
- d. The budgets are legally adopted at the activity level for the general fund and the fund level for the special revenue funds. Budgetary transfers between funds and amendments to total fund budgets are not permitted without Board approval. For control purposes, all fund budgets are maintained at the activity and account level. The Administrator/Fiscal Officer is authorized to transfer budget amounts between accounts with Finance Committee Chairperson approval.
- e. The County does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. All unexpended appropriations lapse at year-end.
- f. Budgeted amounts are reported as originally adopted or as amended by the Board of Commissioners during the year.

***Pension***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System ("MERS") of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. 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.

***OPEB***

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

**Note 2 - Budgetary Compliance**

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.

**Oceana County**  
Notes to the Financial Statements

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The County had no expenditures in excess of the amounts appropriated during the year ended December 31, 2019.

**Net Position Deficit**

The County reported a deficit in net position for governmental activities in the amount of \$(1,406,196) for the year ended December 31, 2019.

**Note 3 - Cash, Cash Equivalents, and Investments**

The County utilizes various pooled cash accounts and investments for approximately fifty funds. The County's pooled cash and investments consist of a common checking and savings account.

The County's pooled cash and investments are utilized by the general fund, special revenue funds, capital project funds, permanent funds, enterprise funds, trust and agency funds, and component unit funds. Each fund's portion of these pooled accounts is included in the cash, cash equivalents, and investments captions on the combined balance sheet and statement of net position.

The other funds of the County utilize separate savings and interest bearing checking accounts. In addition, certificates of deposit are separately held by several of the County's funds.

In accordance with Michigan Compiled Laws, the County is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or Oceana office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Banker's acceptances of United States banks.
- f. Mutual funds composed of investment vehicles that are legal for direct investment by local

**Oceana County**  
Notes to the Financial Statements

units of government in Michigan.

Following is a reconciliation of deposit and investment balances as of December 31, 2019:

	<b>Primary Government</b>	<b>Component Units</b>	<b>Total</b>
<b>Statement of Net Position</b>			
Cash and Investments	\$ 13,308,038	\$ 5,902,140	\$ 19,210,178
Restricted Investments	-	364,466	364,466
<b>Statement of Fiduciary Assets and Liabilities</b>			
Cash and Investments	380,302	-	380,302
<b>Total Deposits and Investments</b>	<b>\$ 13,688,340</b>	<b>\$ 6,266,606</b>	<b>\$ 19,954,946</b>
<i>Less Units Separately Audited</i>			
Oceana County Medical Care Facility	-	(5,492,471)	(5,492,471)
Road Commission	-	(341,880)	(341,880)
<b>Deposits and Investments Managed by the County</b>	<b>\$ 13,688,340</b>	<b>\$ 432,255</b>	<b>\$ 14,120,595</b>
	Cash on Hand		\$ 3,973
	Checking and Savings Accounts		3,679,778
	Pooled Investments		7,471,448
	Brokerage Accounts		2,965,396
	<b>Total Deposits and Investments</b>		<b>\$ 14,120,595</b>

***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, \$3,409,473 of the County's bank balance of \$3,909,494 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.

Due to significantly higher cash flow at certain periods during the year, the amount the County held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year-end.

***Credit Risk***

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's).

**Oceana County**  
Notes to the Financial Statements

As of December 31, 2019, the County had the following investments that were subject to rating by a NRSRO:

<b>Rating (S&amp;P)</b>	<b>Brokerage Accounts</b>	<b>Pooled Investments</b>
A1+	\$ 490,859	\$ -
A1	2,474,537	-
AAAm	-	7,471,448
<b>Total</b>	<b>\$ 2,965,396</b>	<b>\$ 7,471,448</b>

***Interest Rate Risk***

The County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by designing its portfolio with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

The County does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturity dates for investments and certificates of deposits held at year-end are summarized as follows:

<b>Maturity</b>	<b>Brokerage Accounts</b>	<b>Pooled Investments</b>
No maturity	\$ -	\$ 7,471,448
Less than 1 year	2,965,396	-
<b>Total</b>	<b>\$ 2,965,396</b>	<b>\$ 7,471,448</b>

***Concentration of Credit Risk***

The County will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the County's investment in a single issuer, by diversifying its investments by security type and institution to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

***Fair Value Measurement***

The County categorizes its fair value measurement 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.

**Oceana County**  
Notes to the Financial Statements

The County has the following recurring fair value measurements as of December 31, 2019:

- Investments held with Michigan CLASS totaled \$7,471,448. Michigan CLASS is authorized to invest in the same investment types as local units of government in Michigan. These holdings are valued using level 2 inputs.
- Investments held within brokerage accounts totaled \$2,965,396 and were valued using level 1 inputs.

**Note 4 - Advances Receivable and Payable**

The County's general fund had an advance due from the drain revolving fund (a component unit) at December 31, 2019 in the amount of \$82,808. The advance from the general fund to drainage districts was made for working capital and is reflected in the financial statements as advances to/from other governmental units.

**Note 5 - Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds, business- type funds, and component units have been eliminated.

The composition of interfund transfers for the year is as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General fund	Nonmajor enterprise funds	\$ 9,475
General fund	Nonmajor governmental funds	74,671
Nonmajor enterprise funds	Nonmajor governmental funds	10,000
Nonmajor enterprise funds	General fund	5,000
Nonmajor governmental funds	General fund	978,876
Foreclosure fund	General fund	2,553
Nonmajor governmental funds	Ambulance fund	23,750
Nonmajor governmental funds	Nonmajor governmental funds	9,900

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.

**Oceana County**  
Notes to the Financial Statements

**Note 6 - Capital Assets**

Capital asset activity for the year ended December 31, 2019 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets not being depreciated					
Land	\$ 1,730,509	\$ -	\$ -	\$ -	\$ 1,730,509
Construction in progress	377,376	161,069	-	(538,445)	-
<i>Subtotal</i>	<u>2,107,885</u>	<u>161,069</u>	<u>-</u>	<u>(538,445)</u>	<u>1,730,509</u>
Capital assets being depreciated					
Buildings and improvements	4,674,415	32,263	-	-	4,706,678
Land improvements	848,780	-	-	538,445	1,387,225
Equipment and furniture	2,487,390	164,438	-	-	2,651,828
Vehicles	1,408,756	39,262	-	-	1,448,018
Infrastructure	229,650	-	-	-	229,650
<i>Subtotal</i>	<u>9,648,991</u>	<u>235,963</u>	<u>-</u>	<u>538,445</u>	<u>10,423,399</u>
Less accumulated depreciation for					
Buildings and improvements	2,283,232	125,294	-	-	2,408,526
Land improvements	659,980	86,300	-	-	746,280
Equipment and furniture	2,284,629	70,200	-	-	2,354,829
Vehicles	925,255	137,852	-	-	1,063,107
Infrastructure	132,071	4,593	-	-	136,664
<i>Subtotal</i>	<u>6,285,166</u>	<u>424,239</u>	<u>-</u>	<u>-</u>	<u>6,709,405</u>
Capital assets being depreciated, net	<u>3,363,825</u>	<u>(188,276)</u>	<u>-</u>	<u>-</u>	<u>3,713,994</u>
Capital assets, net	<u>\$ 5,471,710</u>	<u>\$ (27,207)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,444,503</u>

Depreciation expense was charged to the following governmental activities:

General government	\$ 92,065
Public safety	186,352
Public works	96,527
Health and welfare	38,228
Recreation and culture	11,067
<i>Total depreciation expense</i>	<u>\$ 424,239</u>

Capital asset activity for the drainage districts for 2019 was as follows:

<b>Drainage Districts</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets not being depreciated					
Construction in progress	\$ 166,125	\$ 3,937	\$ -	\$ (170,062)	\$ -
Capital assets being depreciated					
Infrastructure - drains	4,092,864	-	-	170,062	4,262,926
Less accumulated depreciation for:					
Infrastructure - drains	1,866,037	104,448	-	-	1,970,485
Capital assets being depreciated, net	<u>2,226,827</u>	<u>(104,448)</u>	<u>-</u>	<u>170,062</u>	<u>2,292,441</u>
Capital assets, net	<u>\$ 2,392,952</u>	<u>\$ (100,511)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,292,441</u>

**Oceana County**  
Notes to the Financial Statements

**Note 7 - Long-term Obligations**

The following is a summary of changes in long-term obligations (including current portion) of the County for the year ended December 31, 2019:

<u>Primary government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Capital improvement refunding bonds - series 2012B	\$ 1,345,000	\$ -	\$ (250,000)	\$ 1,095,000	\$ 260,000
Compensated absences	600,044	62,265	(18,867)	643,442	161,346
<i>Total governmental activities</i>	<u>\$ 1,945,044</u>	<u>\$ 62,265</u>	<u>\$ (268,867)</u>	<u>\$ 1,738,442</u>	<u>\$ 421,346</u>

**Bonds - Governmental Activities**

\$2,565,000 Oceana County Capital Improvement Refunding Bonds - Series 2012B, dated September, 2012, due in annual installments ranging from \$225,000 to \$290,000 through November 1, 2023, with interest ranging from 2.00% to 3.00%, payable semi-annually.

\$ 1,095,000

**Primary Government**

The annual requirements to pay the debt principal and interest outstanding for the bonds payable are as follows:

	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 260,000	\$ 32,850	\$ 292,850
2021	270,000	25,050	295,050
2022	275,000	16,950	291,950
2023	290,000	8,700	298,700
<b>Totals</b>	<u>\$ 1,095,000</u>	<u>\$ 83,550</u>	<u>\$ 1,178,550</u>

**Compensated Absences**

In accordance with County personnel policies and/or contracts negotiated with various employee groups of the County, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in their respective personnel policies and/or contracts. The dollar amount of these vested rights, including related payroll taxes, amounted to \$643,442 for vacation and sick at December 31, 2019. Of this liability, \$161,346 has been recorded as a current liability and \$482,096 has been recorded as a noncurrent liability.

**Oceana County**  
Notes to the Financial Statements

The following is a summary of changes in long-term obligations (including current portion) of the drainage districts for the year ended December 31, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Component Units - Drainage Districts</b>					
Ag-Ren note	\$ 225,888	\$ -	\$ 183,578	\$ 42,310	\$ 10,578
Compensated absences	-	4,162	-	4,162	1,818
<b>Total component units</b>	<u>\$ 225,888</u>	<u>\$ 4,162</u>	<u>\$ 183,578</u>	<u>\$ 46,472</u>	<u>\$ 12,396</u>

***Drainage Districts Bonds and Notes***

The County has irrevocably pledged its full faith and credit as collateral for the following drain loans and notes. These projects are administered by the Oceana County Drain Commission for various local drainage districts. The drain loans and notes were issued to finance the various construction funds for the purpose of paying costs in connection with various drainage district projects and are payable out of assessments to be made against the benefited properties.

Loan and notes payable at December 31, 2019, per respective drain projects serviced from the component unit funds, are as follows:

**Component Unit - Drainage Districts**

\$63,465.83 Ag-Ren Drain Note, dated July 25, 2017, due in annual installments of \$10,578 through May 1, 2023, with interest of 3.25 percent.

\$ 42,310

The annual requirements to pay the debt principal and interest outstanding for the following debts are as follows:

	<b>Component Unit - Drainage Districts</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 10,578	\$ 1,394	\$ 11,972
2021	10,578	1,046	11,624
2022	10,578	697	11,275
2023	10,576	348	10,924
	<u>\$ 42,310</u>	<u>\$ 3,485</u>	<u>\$ 45,795</u>

***Drainage Districts Compensated Absences***

In accordance with County personnel policies and/or contracts negotiated with various employee groups of the County, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in their respective personnel policies and/or contracts. The dollar amount of these vested rights, including related payroll taxes, amounted to \$4,162 for vacation and sick time at December 31, 2019. Of this liability, \$1,818 has been recorded as a current liability and \$2,344 has been recorded

**Oceana County**  
Notes to the Financial Statements

as a noncurrent liability.

**Note 8 - Retirement System**

***Primary Government***

**Defined Contribution**

The County also provides benefits to all newly hired full-time employees through a defined contribution benefit plan called the MERS Benefit Program Defined Contribution Plan. In a defined contribution plan, benefits depended solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The County contribution rates range from 3% to 6% percent of employees' gross earnings and employee contributions for each employee plus interest allocated to the employee's account are fully vested immediately. The Plan is administered by MERS. Contributions for the year consisted of \$103,921 by the County and \$113,055 for the corresponding employee contributions.

**Defined Benefit**

***Plan Description***

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

***Benefits Provided***

Retirement benefits for employees are calculated as follows:

<b>Division</b>	<b>Benefit Multiplier</b>	<b>Benefit Maximum</b>	<b>Final Average Compensation (Years)</b>	<b>Normal Retirement Age</b>	<b>Unreduced Benefit (Age/Years of Service)</b>	<b>Reduced Benefit (Age/Years of Service)</b>	<b>Vesting (Years)</b>
01 - General - Closed	2.50%	80%	5	60	N/A	50/25 or 55/15	10
02 - Sheriff - Closed	2.50%	80%	5	60	55/15	50/25	10
10 - EMS - Closed	2.50%	80%	5	60	55/15	50/25	10
11 - Building Dept. - Closed	2.25%	80%	5	60	N/A	50/25 or 55/15	10

**Oceana County**  
Notes to the Financial Statements

***Employees Covered by Benefit Terms***

At the December 31, 2018 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	84
Inactive plan members entitled to but not yet receiving benefits	30
Active plan members	51
Total employees covered by MERS	165

***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. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions during 2019 were as follows:

Division	Employee Contributions	Monthly Employer Contributions
01 - General - Closed	5.00%	\$ 31,389
02 - Sheriff - Closed	5.00%	37,797
10 - EMS - Closed	5.00%	-
11 - Building Dept. - Closed	5.00%	2,023

***Net Pension Liability***

The County's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

***Actuarial Assumptions***

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

## Oceana County

### Notes to the Financial Statements

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

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

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target Allocation Gross Rate of Return</u>	<u>Long-term Expected Gross Rate of Return</u>	<u>Inflation Assumption</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	55.50%	8.65%	4.80%	2.50%	3.42%
Global fixed income	18.50%	3.76%	0.70%	2.50%	0.23%
Real assets	13.50%	9.72%	1.31%	2.50%	0.97%
Diversifying strategies	12.50%	7.50%	0.94%	2.50%	0.63%
	<u>100.00%</u>		<u>7.75%</u>		<u>5.25%</u>

#### ***Discount Rate***

The discount rate used to measure the total pension liability was 8.00%. 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.

**Oceana County**  
Notes to the Financial Statements

***Changes in Net Pension Liability***

Changes in the net pension liability during the measurement year were as follows:

<b>Changes in Net Pension Liability</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Net Position</b>	<b>Net Pension Liability</b>
Balance at December 31, 2017	\$ 24,037,041	\$ 16,855,146	\$ 7,181,895
Service cost	272,261	-	272,261
Interest	1,876,290	-	1,876,290
Difference between expected and actual experience	(778,021)	-	(778,021)
Changes in assumptions	-	-	-
Contributions - Employer	-	1,290,637	(1,290,637)
Contributions - Employee	-	161,417	(161,417)
Net investment loss	-	(656,052)	656,052
Benefit payments, including refunds	(1,439,082)	(1,439,082)	-
Administrative expenses	-	(32,513)	32,513
<i>Net changes</i>	<u>(68,552)</u>	<u>(675,593)</u>	<u>607,041</u>
Balance at December 31, 2018	<u>\$ 23,968,489</u>	<u>\$ 16,179,553</u>	<u>\$ 7,788,936</u>

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the County, calculated using the discount rate of 8.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%) or one percentage point higher (9.00%) than the current rate:

	<b>1% Decrease (7.00%)</b>	<b>Current Rate (8.00%)</b>	<b>1% Increase (9.00%)</b>
Net pension liability of the County	<u>\$ 10,353,762</u>	<u>\$ 7,788,936</u>	<u>\$ 5,604,866</u>

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

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

For the year ended December 31, 2019, the County recognized pension expense of \$1,032,836.

## Oceana County

### Notes to the Financial Statements

At December 31, 2019, the County reported deferred outflows/inflows of resources related to pension from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,198,690	\$ -
Differences in experience	133,819	389,010
Change in actuarial assumptions	198,097	-
Employer contributions to the plan subsequent to the measurement date *	1,104,508	-
Total	\$ 2,635,114	\$ 389,010

\* 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 December 31, 2020.

Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended December 31	Amount
2020	\$ 307,624
2021	194,769
2022	238,468
2023	400,735

#### **Note 9 - Other Post-Employment Benefits**

##### ***Plan Description***

Oceana County Retiree Health Care Plan (the "Plan") is a single employer plan established and administered by the County and can be amended at its discretion.

##### ***Benefits Provided***

The County Board will contribute the following portion of the pre-Medicare eligible premium for health insurance coverage for eligible County retirees, effective March 1, 2008.

- Employees with 20 years of service or more are eligible, based on age of retirement:
  - 55-58 at age of retirement, county contribution per month will be \$150
  - 59-61 at age of retirement, county contribution per month will be \$250
  - 62 to date of eligibility for Medicare/Medicaid, county contribution per month will be \$350

## Oceana County

### Notes to the Financial Statements

- All eligible full-time employees of the Fraternal Order of Police ("FOP") retiring on or after January 1, 2007 are eligible for a contribution from the County for payment toward the premium in the amount of \$40 per month for every year of service, or the amount of the monthly premium, whichever is less. To be eligible, an employee must have 20 years of service and employer contribution shall cease on the date of eligibility for Medicare/Medicaid benefits.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (December 31, 2018), the plan is closed:

Inactive plan members or beneficiaries currently receiving benefits	9
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	70
Total employees covered by the Plan	<u>82</u>

#### *Contributions*

The Oceana County Retiree Health Care Plan was established and is being funded under the authority of the Board of Commissioners and under agreements with the unions representing various classes of employees. The plan's funding policy is that the employer will contribute any required amounts as determined by an annual actuarial valuation. There are no long-term contracts for contributions to the plan. The plan has no legally required reserves.

#### *Investments*

The Plan's assets are held by the Municipal Employee's Retirement System (MERS) of Michigan. It is the policy of MERS to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. MERS investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

#### *Methods and Assumptions*

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018 and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.10%
Salary increases	3.50%
Investment rate of return	7.35%
20-year Aa Municipal bond rate	3.26%
Mortality	2010 Public General Employees and Healthy Retirees, Headcount weighted
Improvement scale	MP-2018

Oceana County

Notes to the Financial Statements

The long-term expected rate of return on retirement plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement plan investment expense 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.

Best estimates of arithmetic real rates of return for each major asset class included in the retirement plan's target asset allocation as of December 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	55.5%	6.15%
Global Fixed Income	18.5%	1.26%
Private Assets	26.0%	6.15%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.68%. The projection of cash flows used to determine the discount rate assumed that the County will make contributions on a pay-as-you-go basis. Based on this assumption, the retirement plan's fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members through 2031 – the cross-over point. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2018 the discount rate used to value OPEB liabilities was 4.72%.

**Oceana County**  
Notes to the Financial Statements

Changes in the net OPEB liability during the measurement year were as follows:

<b>Changes in OPEB Liability</b>	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Net Position</b>	<b>Net OPEB Liability</b>
Balance at December 31, 2018	\$ 1,243,911	\$ 530,030	\$ 713,881
Service cost	53,057	-	53,057
Interest	60,746	-	60,746
Differences between expected and actual experience	(8,573)	-	(8,573)
Changes in assumptions	107,631	-	107,631
Contributions/benefit paid from general operating funds	-	19,950	(19,950)
Net investment income	-	71,589	(71,589)
Benefit payments, including refunds	(19,950)	(19,950)	-
Administrative expenses	-	(1,020)	1,020
<i>Net changes</i>	<u>192,911</u>	<u>70,569</u>	<u>122,342</u>
Balance at December 31, 2019	<u>\$ 1,436,822</u>	<u>\$ 600,599</u>	<u>\$ 836,223</u>

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the net OPEB liability of the employer, calculated using the discount rate of 3.68%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower or higher than the current rate:

	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 1,545,266	\$ 1,436,822	\$ 1,333,222
Plan Fiduciary Net Position	600,599	600,599	600,599
Net OPEB liability of the County	<u>\$ 944,667</u>	<u>\$ 836,223</u>	<u>\$ 732,623</u>

***Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate of 6.75%, as well as what the employer's net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower or higher than the current rate:

	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 1,325,967	\$ 1,436,822	\$ 1,564,787
Plan Fiduciary Net Position	600,599	600,599	600,599
Net OPEB liability of the County	<u>\$ 725,368</u>	<u>\$ 836,223</u>	<u>\$ 964,188</u>

**Oceana County**  
Notes to the Financial Statements

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plan***

For the year ended December 31, 2019 the employer recognized OPEB expense of \$103,840. The employer reported inflows of resources related to OPEB in the current year from the following sources:

<b>Source</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in experience	\$ -	\$ 140,042
Change in actuarial assumptions	381,901	-
Net difference between projected and actual earnings on OPEB plan investments	703	-
Total	<u>382,604</u>	<u>140,042</u>

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

<b>Years Ended December 31</b>	<b>Amount</b>
2020	\$ 30,054
2021	30,056
2022	35,547
2023	23,502
2024	29,614
Thereafter	93,789

**Note 10 - Contingent Liabilities**

***Primary Government***

The County participates in a number of federal and state assisted grant programs that are subject to compliance audits. The single audit of the federal programs and the periodic program compliance audits of many of the state programs have not yet been completed or final resolution has not been received. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

There are various legal actions pending against the County and its component units. Due to the inconclusive nature of many of the actions, it is not possible for legal counsel to determine the probable outcome or a reasonable estimate of the potential liability, if any. Those actions for which a reasonable estimate can be determined of the potential liability and that would not be covered by

## Oceana County

### Notes to the Financial Statements

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insurance and reserves, in any, are considered by management and legal counsel to be immaterial.

#### **Note 11 - Risk Management**

##### *Primary Government*

The County is a voluntary member of the Michigan Municipal Risk Management Authority (the Authority) which is organized under Public Act 138 of 1982, as amended as a governmental group self-insurance pool. Public Act 138 authorizes local units of government to exercise jointly any power, privilege, or authority which each might exercise separately. The Authority administers a risk management fund providing the County with loss protection for general and auto liability, motor vehicle physical damage, and property. Membership of the Authority at December 31, 2016, was comprised of more than 300 units of government.

The administration of the Authority is directed by a ten member Board of Directors composed of municipal representatives from the membership elected by the membership. The Board establishes the general policy of the Authority, creates and publishes rules to be followed by the Manager and Board, and is empowered with the authority to impose sanctions or terminate membership. The County, by resolution of the County Board of Commissioners, has designated a representative to the Authority to be responsible for the execution of all loss control measures, to ensure the payment of all annual and supplementary or other payment requirements, to ensure the filing of all required reports, and to act as a liaison between the County and the Authority.

The Authority provides risk management, underwriting, reinsurance, and claim services with member contributions allocated to meet these obligations. The Authority administers a risk management fund providing the County with loss protection for general and auto liability, motor vehicle physical damage, and property damage.

Under most circumstances, the County's maximum loss per occurrence is limited as follows:

Maximum Retention Type of Risk	Per Occurrence
General and auto liability	\$ 75,000
Motor vehicle physical damage	\$ 30,000

The Authority has established a Retained Risk Program to pay losses incurred by members that exceed individual retention levels and are not covered under existing reinsurance agreements. Losses incurred within the established limits are general obligations of the Authority. In the event that losses are incurred in excess of the resources available, the Authority as a whole (i.e., all constituent municipalities) is liable for the excess. The Authority may authorize dividends to individual members in the event that the members and individual fund balance is determined to be sufficient to do so.

Liability insurance claims are expenses as incurred. The liability is determined by the Michigan

## Oceana County

### Notes to the Financial Statements

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Municipal Risk Management Authority management based on an actuarial study performed using historical data and available insurance industry statistics. The liability includes a reserve for reported claims, and reported legal expenses as well as incurred but not reported claims.

The Authority has reserved fund balance to pay losses incurred by members that exceed individual retention levels and are not covered under existing reinsurance agreements. Losses incurred within the established limits are general obligations of the Authority. In the event that the County incurs a loss in excess of the resources available, the Authority as a whole (i.e., all constituent municipalities) is liable for the excess.

In addition, the Authority has accumulated resources to create and fund an Internal Stop Loss Program. The Internal Stop Loss Program was initiated to eliminate the need to purchase aggregate reinsurance for aggregate losses paid in excess of \$170,000 net of reinsurance recoveries for any one member in any one year. Aggregate paid losses in excess of \$170,000 net of reinsurance recoveries are paid entirely from the Internal Stop Loss Program. If at any time the Internal Stop Loss Program is insufficient to fund the County's losses, the remaining liability shall become the responsibility of the Authority as a whole.

The County also participates in a pool, the Michigan Counties Workers' Compensation Self-Insured Fund, with other municipalities for workers' compensation losses with maximums as detailed in the County's policy. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The County has not been informed of any special assessments being required. The Oceana County Economic Development Corporation, component unit, maintains commercial insurance coverage for workers compensation.

#### **Note 12 - Restricted Net Position / Fund Balances - Governmental Funds**

The County reports fund balance in governmental funds based on the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Oceana County**  
Notes to the Financial Statements

<b>Fund Balances</b>	<b>General Fund</b>	<b>Ambulance</b>	<b>Senior Citizen's Tax</b>	<b>Nonmajor Funds</b>	<b>Total</b>
<b>Nonspendable</b>					
Prepays	\$ 64,119	\$ -	\$ -	\$ 18,502	\$ 82,621
Advances to Other Governmental Units	82,808	-	-	-	82,808
<i>Subtotal</i>	146,927	-	-	18,502	165,429
<b>Restricted</b>					
Parks and Recreation - Recreation and Culture	63,446	-	-	-	63,446
Ambulance - Health and Welfare	-	655,747	-	-	655,747
Friend of the Court Activities - General Government	-	-	-	409,671	409,671
Public Improvement - Capital Outlay	-	-	-	276,269	276,269
Building Department Activities - Public Safety	-	-	-	192,344	192,344
Animal Control Activities - Public Safety	-	-	-	955	955
Animal Care Activities - Public Safety	-	-	-	19,292	19,292
Register of Deeds Activities - General Government	-	-	-	79,113	79,113
Local Correction Officer Training - Public Safety	-	-	-	23,083	23,083
Drug Law Enforcement - Public Safety	-	-	-	273	273
Law Library Activities - General Government	-	-	-	24,012	24,012
Child Care - Health and Welfare	-	-	-	145,018	145,018
Senior Citizens' Tax - Health and Welfare	-	-	15	-	15
Soldiers' and Sailors' Relief - Health and Welfare	-	-	-	83,456	83,456
CDBG Housing - Comm. and Econ. Dev.	-	-	-	146,719	146,719
Criminal Justice Training - Public Safety	-	-	-	11,265	11,265
Emergency Mgmt. Reserves Corp - Public Safety	-	-	-	1,071	1,071
GIS Activities - General Government	-	-	-	16,960	16,960
Concealed Pistol - Public Safety	-	-	-	64,714	64,714
WM Field Rail Trail - Recreation and Culture	-	-	-	9,203	9,203
Oceana-Mason DHHS - Health and Welfare	-	-	-	8,475	8,475
Mason/Oceana 911 - Public Safety	-	-	-	3	3
K9 Unit - Public Safety	-	-	-	27,801	27,801
Technology and Innovation - General Government	-	-	-	2,259	2,259
Court Improvement and Services - General Government	-	-	-	13,413	13,413
Indigent Defense Fund - General Government	-	-	-	16,123	16,123
Victims Services - Public Safety	-	-	-	4,304	4,304
Medical Care Facility Building Fund - Health and Welfare	-	-	-	178,707	178,707
Medical Care Endowment - Health and Welfare	-	-	-	316	316
Airport Terminal - Debt Service	-	-	-	121	121
Ambulance Debt Retirement - Debt Service	-	-	-	2,996	2,996
<i>Subtotal</i>	63,446	655,747	15	1,757,936	2,477,144
<b>Committed</b>					
Equipment Replacement - Capital Outlay	-	-	-	122,806	122,806
Unfunded Pension and OPEB Liability	800,000	-	-	-	800,000
<i>Subtotal</i>	800,000	-	-	122,806	922,806
<b>Unassigned</b>					
	3,899,461	-	-	-	3,899,461
<i>Total fund balances</i>	<u>\$ 4,909,834</u>	<u>\$ 655,747</u>	<u>\$ 15</u>	<u>\$ 1,899,244</u>	<u>\$ 7,464,840</u>

## Oceana County

### Notes to the Financial Statements

Restrictions of net position shown in the government-wide financial statements indicate that restrictions imposed by the funding source or some other outside source which precludes their use for unrestricted purposes. The following are the various net position restrictions as of December 31, 2019:

#### PRIMARY GOVERNMENT

General Government	\$ 575,384
Public Safety	349,334
Health and Welfare	1,072,174
Community and Economic Development	146,719
Recreation and Culture	73,405
Debt Service	3,117
Capital Projects	276,269
<b>Total Restricted</b>	<b>\$ 2,496,402</b>

#### Note 13 - Tax Abatement Disclosure

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. For the year ended December 31, 2019, the County's property taxes were reduced by \$12,104 under this program.

#### Note 14 - Prior Period Restatements

In prior years, net OPEB liability and its related deferred outflows and inflows of resources were incorrectly stated as they were based off valuations from a year prior rather than the current year. As a result of the use of the proper valuation, the ending balances of December 31, 2018 have changed as follows: net OPEB liability increased to \$713,881 from \$421,131, deferred outflows of resources related to OPEB increased to \$352,730 from \$0, and deferred inflows of resources increased to \$148,620 from \$21,966. The corresponding correction resulted in an overall decrease of \$66,674 to unrestricted governmental activities net position.

**Oceana County**  
Notes to the Financial Statements

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The following table shows the changes described above and includes the adjustments of net position indicated above:

	<b>Governmental Activities</b>
Net Position - December 31, 2018 - as previously reported	\$ 5,047,985
Correction of net OPEB liability and related deferrals	(66,674)
Net Position - December 31, 2018 - as restated	<u>\$ 4,981,311</u>

**Note 15 - Subsequent Events**

The County may be affected by the recent and ongoing outbreak of the Coronavirus (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. COVID-19 has caused significant government and business disruptions through mandated and voluntary closings and stay at home orders. Management is in the process of determining if this outbreak will have a significant financial impact on the County's financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Oceana County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 7,287,244	\$ 7,021,022	\$ 7,180,944	\$ 159,922
Licenses and Permits	28,180	29,930	29,138	(792)
Intergovernmental	1,547,507	1,693,544	1,768,254	74,710
Charges for Services	1,027,954	1,181,672	1,167,328	(14,344)
Fines and Forfeits	13,400	26,465	25,637	(828)
Interest and Rents	81,020	170,389	170,169	(220)
Other Revenue	211,646	308,898	264,899	(43,999)
<b>Total Revenues</b>	<u>10,196,951</u>	<u>10,431,920</u>	<u>10,606,369</u>	<u>174,449</u>
<b>Other Financing Sources</b>				
Transfers In	38,500	114,121	84,146	(29,975)
<b>Total Revenues and Other Financing Sources</b>	<u>10,235,451</u>	<u>10,546,041</u>	<u>10,690,515</u>	<u>144,474</u>
<b>Expenditures</b>				
<b>General Government</b>				
Board of Commissioners	201,026	218,918	214,222	4,696
Circuit Court	425,861	505,120	449,691	55,429
District Court	370,801	374,377	344,065	30,312
Friend of the Court	403,552	405,919	401,967	3,952
Probate Court	282,454	288,050	284,314	3,736
County Administrator	217,575	242,943	221,111	21,832
County Auditing	22,400	22,400	21,900	500
Elections	7,786	15,761	11,169	4,592
Clerk	291,429	295,025	279,007	16,018
Jury Board	1,238	1,269	1,100	169
Equalization	259,254	359,955	353,124	6,831
Prosecuting Attorney	383,700	399,439	386,250	13,189
Data Processing	165,341	167,433	156,132	11,301
Cooperative Extension	154,133	154,686	152,782	1,904
Register of Deeds	192,288	202,670	199,206	3,464
County Survey and Remonumentation	46,356	46,356	46,356	--
Treasurer	240,253	245,044	234,501	10,543
Building and Grounds	243,422	260,878	248,462	12,416
Drain Commissioner	171,461	171,929	168,228	3,701
General Services	855,224	1,107,909	1,100,379	7,530
<b>Total General Government</b>	<u>4,935,554</u>	<u>5,486,081</u>	<u>5,273,966</u>	<u>212,115</u>

**Oceana County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund - Continued**  
**For the Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Expenditures</b>				
<b>Public Safety</b>				
Sheriff	\$ 2,359,893	\$ 2,347,914	\$ 2,254,221	\$ 93,693
Marine Safety	105,546	117,574	109,857	7,717
Snowmobile Enforcement	32,724	36,037	30,241	5,796
Road Patrol	88,502	90,424	85,004	5,420
Jail	1,181,703	1,211,257	1,144,624	66,633
Emergency Management	107,467	117,927	84,213	33,714
Animal Control	163,284	173,568	160,386	13,182
<b>Total Public Safety</b>	<u>4,039,119</u>	<u>4,094,701</u>	<u>3,868,546</u>	<u>226,155</u>
<b>Public Works</b>				
Drains	20,126	20,126	20,055	71
Recycling	273,203	285,860	265,982	19,878
Airport	97,422	110,894	99,533	11,361
<b>Total Public Works</b>	<u>390,751</u>	<u>416,880</u>	<u>385,570</u>	<u>31,310</u>
<b>Health and Welfare</b>				
Medical Examiner	71,431	94,923	91,096	3,827
<b>Community and Economic Development</b>				
Planning Commission	64,220	65,270	61,421	3,849
<b>Recreation and Culture</b>				
Parks and Recreation	37,050	58,307	40,420	17,887
<b>Other</b>				
Insurance	309,000	322,300	255,098	67,202
Other - General	2,500	2,500	2,190	310
<b>Total Other</b>	<u>311,500</u>	<u>324,800</u>	<u>257,288</u>	<u>67,512</u>
<b>Total Expenditures</b>	<u>9,849,625</u>	<u>10,540,962</u>	<u>9,978,307</u>	<u>562,655</u>
<b>Other Financing Uses</b>				
Transfers Out	840,676	1,127,315	986,429	140,886
<b>Total Expenditures and Other Financing Uses</b>	<u>10,690,301</u>	<u>11,668,277</u>	<u>10,964,736</u>	<u>703,541</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(454,850)</u>	<u>(1,122,236)</u>	<u>(274,221)</u>	<u>848,015</u>
<b>Net Change in Fund Balance</b>	<u>(454,850)</u>	<u>(1,122,236)</u>	<u>(274,221)</u>	<u>848,015</u>
<i>Fund Balance at Beginning of Period</i>	5,184,055	5,184,055	5,184,055	--
<b>Fund Balance at End of Period</b>	<u>\$ 4,729,205</u>	<u>\$ 4,061,819</u>	<u>\$ 4,909,834</u>	<u>\$ 848,015</u>

**Oceana County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Ambulance Fund**  
**For the Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 1,165,002	\$ 1,321,592	\$ 1,196,840	\$ (124,752)
Charges for Services	--	25,541	24,541	(1,000)
Interest and Rents	5,000	23,240	21,503	(1,737)
Other Revenue	107,350	110,566	110,431	(135)
<b>Total Revenues</b>	<u>1,277,352</u>	<u>1,480,939</u>	<u>1,353,315</u>	<u>(127,624)</u>
<b>Expenditures</b>				
Health and Welfare	1,171,900	1,184,000	1,130,206	53,794
<b>Total Expenditures</b>	<u>1,171,900</u>	<u>1,184,000</u>	<u>1,130,206</u>	<u>53,794</u>
<b>Other Financing Uses</b>				
Transfers Out	23,750	23,750	23,750	--
<b>Total Expenditures and Other Financing Uses</b>	<u>1,195,650</u>	<u>1,207,750</u>	<u>1,153,956</u>	<u>53,794</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>				
<b>Net Change in Fund Balance</b>	<u>81,702</u>	<u>273,189</u>	<u>199,359</u>	<u>(73,830)</u>
<b>Fund Balance at Beginning of Period</b>	456,388	456,388	456,388	--
<b>Fund Balance at End of Period</b>	<u>\$ 538,090</u>	<u>\$ 729,577</u>	<u>\$ 655,747</u>	<u>\$ (73,830)</u>

**Oceana County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Senior Citizens' Tax**  
**For the Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<b><u>Final to Actual</u></b>
<b>Revenues</b>				
Taxes	\$ 1,204,636	\$ 1,350,815	\$ 1,203,004	\$ (147,811)
Interest and Rents	--	257	255	(2)
<b>Total Revenues</b>	<u>1,204,636</u>	<u>1,351,072</u>	<u>1,203,259</u>	<u>(147,813)</u>
<b>Expenditures</b>				
Health and Welfare	1,204,636	1,204,636	1,203,300	1,336
<b>Total Expenditures</b>	<u>1,204,636</u>	<u>1,204,636</u>	<u>1,203,300</u>	<u>1,336</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	--	146,436	(41)	(146,477)
<b>Net Change in Fund Balance</b>	--	<b>146,436</b>	<b>(41)</b>	<b>(146,477)</b>
<b>Fund Balance at Beginning of Period</b>	56	56	56	--
<b>Fund Balance at End of Period</b>	<u>\$ 56</u>	<u>\$ 146,492</u>	<u>\$ 15</u>	<u>\$ (146,477)</u>

**Oceana County**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Five Plan Years**

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service Cost	\$ 272,261	\$ 355,053	\$ 350,067	\$ 380,952	\$ 378,169
Interest	1,876,290	1,801,887	1,731,236	1,587,562	1,569,807
Differences Between Expected and Actual Experience	(778,021)	215,533	95,915	10,366	-
Changes in Assumptions	-	-	-	990,477	-
Benefit Payments, Including Refunds	(1,439,082)	(1,362,956)	(1,230,215)	(1,184,993)	(1,080,593)
Other Changes	-	-	-	49,610	-
<b>Net Change in Pension Liability</b>	<u>(68,552)</u>	<u>1,009,517</u>	<u>947,003</u>	<u>1,833,974</u>	<u>867,383</u>
<i>Total Pension Liability - Beginning</i>	24,037,041	23,027,524	22,080,521	20,246,547	19,379,164
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 23,968,489</u>	<u>\$ 24,037,041</u>	<u>\$ 23,027,524</u>	<u>\$ 22,080,521</u>	<u>\$ 20,246,547</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 1,290,637	\$ 722,778	\$ 637,568	\$ 602,676	\$ 527,348
Contributions - Member	161,417	168,039	180,419	184,915	201,226
Net Investment Income (Loss)	(656,052)	2,018,442	1,604,580	(219,435)	899,130
Benefit Payments, Including Refunds	(1,439,082)	(1,362,956)	(1,230,215)	(1,184,993)	(1,080,593)
Administrative Expenses	(32,513)	(31,967)	(31,697)	(32,313)	(33,011)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(675,593)</u>	<u>1,514,336</u>	<u>1,160,655</u>	<u>(649,150)</u>	<u>514,100</u>
<i>Plan Fiduciary Net Position - Beginning</i>	16,855,146	15,340,810	14,180,155	14,829,305	14,315,205
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 16,179,553</u>	<u>\$ 16,855,146</u>	<u>\$ 15,340,810</u>	<u>\$ 14,180,155</u>	<u>\$ 14,829,305</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	\$ 7,788,936	\$ 7,181,895	\$ 7,686,714	\$ 7,900,366	\$ 5,417,242
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	67.5%	70.1%	66.6%	64.2%	73.2%
Covered Payroll	\$ 2,620,903	\$ 3,362,605	\$ 3,320,656	\$ 3,623,872	\$ 3,600,041
Net Pension Liability as a Percentage of Covered Payroll	297.2%	213.6%	231.5%	218.0%	150.5%

\* Built prospectively upon implementation on GASB 68

**Oceana County  
Required Supplementary Information  
Schedule of Contributions  
Last Five Calendar Years**

	2019	2018	2017	2016	2015
Actuarially Determined Contribution	854,508	790,637	722,778	\$ 637,568	\$ 602,676
Contributions in Relation to the Actuarially Determined Contribution	1,104,508	1,290,637	722,778	637,568	602,676
Contribution Deficiency (Excess)	<u>\$ (250,000)</u>	<u>\$ (500,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	2,598,093	2,620,903	3,362,605	3,320,656	3,623,872
Contributions as a Percentage of Covered Payroll	42.5%	49.2%	21.5%	19.2%	16.6%

*Notes*

**Valuation Date**

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the c

**Methods and assumptions used to determine contribution rates**

Actuarial cost method	Entry-age Normal
Amortization method	Level percentage of pay, open
Remaining amortization period	12 years
Asset valuation method	10-year smoothed
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment expense, including inflation
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	Rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and

\* Built prospectively upon implementation on GASB 68

**Oceana County**  
**Required Supplementary Information**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Last Three Years**

	2019	2018	2017
<b>Total OPEB Liability</b>			
Service Cost	\$ 53,057	\$ 38,237	\$ 38,442
Interest	60,746	73,033	65,826
Changes in Benefit Terms	-	13,859	-
Differences Between Expected and Actual Experience	(8,573)	(164,836)	-
Changes in Assumptions	107,631	356,063	-
Benefit Payments, Including Refunds	(19,950)	(15,950)	(25,696)
<b>Net Change in total OPEB Liability</b>	<u>192,911</u>	<u>300,406</u>	<u>78,572</u>
<i>Total OPEB Liability - Beginning</i>	1,243,911	943,505	864,933
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 1,436,822</u>	<u>\$ 1,243,911</u>	<u>\$ 943,505</u>
<b>Plan Fiduciary Net Position</b>			
Contributions to OPEB Trust	\$ -	\$ 29,477	\$ 31,701
Contributions/benefit payments made from general operating funds	19,950	15,950	25,696
Net Investment Income (Loss)	71,589	(20,528)	58,022
Benefit Payments, Including Refunds	(19,950)	(15,950)	(25,696)
Administrative Expenses	(1,020)	(1,293)	(1,119)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>70,569</u>	<u>7,656</u>	<u>88,604</u>
<i>Plan Fiduciary Net Position - Beginning</i>	530,030	522,374	433,770
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 600,599</u>	<u>\$ 530,030</u>	<u>\$ 522,374</u>
<b>Net OPEB Liability - Ending (a) - (b)</b>	\$ 836,223	\$ 713,881	\$ 421,131
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	41.8%	42.6%	55.4%
Covered Employee Payroll	\$ 4,297,851	\$ 5,856,373	\$ 3,429,857
Net OPEB Liability as a Percentage of Covered Employee Payroll	19.5%	12.2%	12.3%

\* Built prospectively upon implementation of GASB 75

**Oceana County  
Required Supplementary Information  
Schedule of Contributions - OPEB  
Last Three Years**

	2019	2018	2017
Actuarially Determined Contribution	\$ 117,196	\$ 73,997	\$ 133,100
Contributions in Relation to the Actuarially Determined Contribution	19,950	45,427	57,397
Contribution Deficiency (Excess)	<u>\$ 97,246</u>	<u>\$ 28,570</u>	<u>\$ 75,703</u>
 Covered Employee Payroll	 4,297,851	 5,856,373	 3,429,857
 Contributions as a Percentage of Covered Employee Payroll	 0.5%	 0.8%	 1.7%

*Notes*

**Valuation Date: December 31, 2018**

**Methods and assumptions used to determine contribution rates**

Actuarial cost method	Entry age normal
Amortization method	Level percentage of compensation
Remaining amortization period	13 years
Asset valuation method	Market value
Inflation	Included in investment return
Salary increases	3.50%
Investment rate of return	7.35%
Retirement Age	Varies depending on plan adoption
Mortality	2010 Public General Employees and Healthy Retirees, Headcount weighted

*\* Built prospectively upon implementation of GASB 75*

**OTHER SUPPLEMENTARY INFORMATION**

**Oceana County  
General Fund Combining Balance Sheet  
All Funds Treated as General  
December 31, 2019**

	<u>General Fund</u>	<u>Parks and Recreation</u>	<u>Parks and Recreation Matching Grant</u>	<u>Parks and Recreation Capital Projects</u>	<u>Total General Funds</u>
<b>ASSETS</b>					
Cash and Investments	\$ 4,615,348	\$ 38,878	\$ 10,136	\$ 14,589	\$ 4,678,951
Taxes Receivable	572,442	--	--	--	572,442
Accounts Receivable	116,059	--	--	--	116,059
Due from Other Governments	194,261	--	--	--	194,261
Prepays	63,363	756	--	--	64,119
Advances to Other Governmental Units	82,808	--	--	--	82,808
<i>Total Assets</i>	<u>\$ 5,644,281</u>	<u>\$ 39,634</u>	<u>\$ 10,136</u>	<u>\$ 14,589</u>	<u>\$ 5,708,640</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 196,200	\$ 157	\$ --	\$ --	\$ 196,357
Accrued Wages	191,673	--	--	--	191,673
<i>Total Liabilities</i>	<u>387,873</u>	<u>157</u>	<u>--</u>	<u>--</u>	<u>388,030</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues	410,776	--	--	--	410,776
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>798,649</u>	<u>157</u>	<u>--</u>	<u>--</u>	<u>798,806</u>
<b>FUND BALANCE</b>					
Nonspendable	146,171	756	--	--	146,927
Restricted	--	38,721	10,136	14,589	63,446
Committed	800,000	--	--	--	800,000
Unassigned	3,899,461	--	--	--	3,899,461
<i>Total Fund Balance</i>	<u>4,845,632</u>	<u>39,477</u>	<u>10,136</u>	<u>14,589</u>	<u>4,909,834</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<u>\$ 5,644,281</u>	<u>\$ 39,634</u>	<u>\$ 10,136</u>	<u>\$ 14,589</u>	<u>\$ 5,708,640</u>

**Oceana County**  
**General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**All Funds Treated as General**  
**For the Year Ended December 31, 2019**

	<u>General Fund</u>	<u>Parks and Recreation</u>	<u>Parks and Recreation Matching Grant</u>	<u>Parks and Recreation Capital Projects</u>	<u>Elimination Entry</u>	<u>Total General Funds</u>
<b>Revenues</b>						
Taxes	\$ 7,180,944	\$ --	\$ --	\$ --	\$ --	\$ 7,180,944
Licenses and Permits	29,138	--	--	--	--	29,138
Intergovernmental	1,768,254	--	--	--	--	1,768,254
Charges for Services	1,158,140	9,188	--	--	--	1,167,328
Fines and Forfeits	25,637	--	--	--	--	25,637
Interest and Rents	169,772	237	52	108	--	170,169
Other Revenue	264,416	369	--	114	--	264,899
<b>Total Revenues</b>	<u>10,596,301</u>	<u>9,794</u>	<u>52</u>	<u>222</u>	<u>--</u>	<u>10,606,369</u>
<b>Expenditures</b>						
General Government	5,273,966	--	--	--	--	5,273,966
Public Safety	3,868,546	--	--	--	--	3,868,546
Public Works	385,570	--	--	--	--	385,570
Health and Welfare	91,096	--	--	--	--	91,096
Community and Economic Development	61,421	--	--	--	--	61,421
Recreation and Culture	--	31,540	--	8,880	--	40,420
Other Expenditures	257,288	--	--	--	--	257,288
<b>Total Expenditures</b>	<u>9,937,887</u>	<u>31,540</u>	<u>--</u>	<u>8,880</u>	<u>--</u>	<u>9,978,307</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>658,414</u>	<u>(21,746)</u>	<u>52</u>	<u>(8,658)</u>	<u>--</u>	<u>628,062</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In	84,146	29,950	--	--	(29,950)	84,146
Transfers Out	(1,016,379)	--	--	--	29,950	(986,429)
<b>Net Other Financing Sources (Uses)</b>	<u>(932,233)</u>	<u>29,950</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(902,283)</u>
<b>Net Change in Fund Balance</b>	<u>(273,819)</u>	<u>8,204</u>	<u>52</u>	<u>(8,658)</u>	<u>--</u>	<u>(274,221)</u>
<b>Fund Balance at Beginning of Period</b>	<u>5,119,451</u>	<u>31,273</u>	<u>10,084</u>	<u>23,247</u>	<u>--</u>	<u>5,184,055</u>
<b>Fund Balance at End of Period</b>	<u>\$ 4,845,632</u>	<u>\$ 39,477</u>	<u>\$ 10,136</u>	<u>\$ 14,589</u>	<u>\$ --</u>	<u>\$ 4,909,834</u>

**Oceana County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	Special Revenue					
	Animal Control Building	Building Department	Interim Elderly and Handicapped	Register of Deeds Automation	Emergency Management Reserves Corp	Victims Services
<b>ASSETS</b>						
Cash and Investments	\$ 955	\$ 201,420	\$ --	\$ 80,910	\$ 1,071	\$ 4,304
Taxes Receivable	--	--	--	--	--	--
Accounts Receivable	--	--	--	--	--	--
Due from Other Governments	--	--	--	--	--	--
Prepays	--	4,229	--	33	--	--
<i>Total Assets</i>	<u>\$ 955</u>	<u>\$ 205,649</u>	<u>\$ --</u>	<u>\$ 80,943</u>	<u>\$ 1,071</u>	<u>\$ 4,304</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ --	\$ 6,693	\$ --	\$ 1,797	\$ --	\$ --
Accrued Wages	--	2,383	--	--	--	--
<i>Total Liabilities</i>	<u>--</u>	<u>9,076</u>	<u>--</u>	<u>1,797</u>	<u>--</u>	<u>--</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Taxes Levied for a Subsequent Period	--	--	--	--	--	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>--</u>	<u>9,076</u>	<u>--</u>	<u>1,797</u>	<u>--</u>	<u>--</u>
<b>FUND BALANCE</b>						
Nonspendable	--	4,229	--	33	--	--
Restricted	955	192,344	--	79,113	1,071	4,304
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>955</u>	<u>196,573</u>	<u>--</u>	<u>79,146</u>	<u>1,071</u>	<u>4,304</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<u>\$ 955</u>	<u>\$ 205,649</u>	<u>\$ --</u>	<u>\$ 80,943</u>	<u>\$ 1,071</u>	<u>\$ 4,304</u>

**Oceana County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	<b>Special Revenue</b>					
	<b>Local Correction Officer Training</b>	<b>Drug Law Enforcement</b>	<b>Law Library</b>	<b>CDBG Housing</b>	<b>Child Care</b>	<b>Criminal Justice Training</b>
<b>ASSETS</b>						
Cash and Investments	\$ 22,210	\$ 273	\$ 24,012	\$ 146,719	\$ 133,668	\$ 11,265
Taxes Receivable	--	--	--	--	--	--
Accounts Receivable	1,020	--	--	--	--	--
Due from Other Governments	--	--	--	--	14,459	--
Prepays	--	--	--	--	220	--
<i>Total Assets</i>	<b>\$ 23,230</b>	<b>\$ 273</b>	<b>\$ 24,012</b>	<b>\$ 146,719</b>	<b>\$ 148,347</b>	<b>\$ 11,265</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 147	\$ --	\$ --	\$ --	\$ 196	\$ --
Accrued Wages	--	--	--	--	2,913	--
<i>Total Liabilities</i>	<b>147</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3,109</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Taxes Levied for a Subsequent Period	--	--	--	--	--	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	<b>147</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3,109</b>	<b>--</b>
<b>FUND BALANCE</b>						
Nonspendable	--	--	--	--	220	--
Restricted	23,083	273	24,012	146,719	145,018	11,265
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	<b>23,083</b>	<b>273</b>	<b>24,012</b>	<b>146,719</b>	<b>145,238</b>	<b>11,265</b>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<b>\$ 23,230</b>	<b>\$ 273</b>	<b>\$ 24,012</b>	<b>\$ 146,719</b>	<b>\$ 148,347</b>	<b>\$ 11,265</b>

**Oceana County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	Special Revenue					
	Soldiers' and Sailors' Relief	Medical Care Facility Building Fund	Concealed Pistol	WM Field Rail Trail	Oceana-Mason DHHS	K9 Unit
<b>ASSETS</b>						
Cash and Investments	\$ 99,184	\$ 203,528	\$ 64,714	\$ 9,203	\$ 8,475	\$ 27,862
Taxes Receivable	110,650	221,450	--	--	--	--
Accounts Receivable	100	--	--	--	--	--
Due from Other Governments	--	--	--	--	--	--
Prepays	220	--	--	--	--	--
<i>Total Assets</i>	<u>\$ 210,154</u>	<u>\$ 424,978</u>	<u>\$ 64,714</u>	<u>\$ 9,203</u>	<u>\$ 8,475</u>	<u>\$ 27,862</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 538	\$ --	\$ --	\$ --	\$ --	\$ 61
Accrued Wages	2,884	--	--	--	--	--
<i>Total Liabilities</i>	<u>3,422</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>61</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Taxes Levied for a Subsequent Period	123,056	246,271	--	--	--	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>126,478</u>	<u>246,271</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>61</u>
<b>FUND BALANCE</b>						
Nonspendable	220	--	--	--	--	--
Restricted	83,456	178,707	64,714	9,203	8,475	27,801
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>83,676</u>	<u>178,707</u>	<u>64,714</u>	<u>9,203</u>	<u>8,475</u>	<u>27,801</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<u>\$ 210,154</u>	<u>\$ 424,978</u>	<u>\$ 64,714</u>	<u>\$ 9,203</u>	<u>\$ 8,475</u>	<u>\$ 27,862</u>

**Oceana County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	Special Revenue					
	Technology and Innovation	Mason/Oceana 911	Court Improvement and Services Fund	Indigent Defense Fund	GIS	Friend of the Court
<b>ASSETS</b>						
Cash and Investments	\$ 47,312	\$ 17,347	\$ 12,438	\$ 31,111	\$ 16,960	\$ 408,565
Taxes Receivable	--	154,745	--	--	--	--
Accounts Receivable	--	--	--	--	--	3,290
Due from Other Governments	--	--	975	--	--	--
Prepays	7,536	--	--	382	5,850	32
<b>Total Assets</b>	<b>\$ 54,848</b>	<b>\$ 172,092</b>	<b>\$ 13,413</b>	<b>\$ 31,493</b>	<b>\$ 22,810</b>	<b>\$ 411,887</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 45,053	\$ --	\$ --	\$ 11,061	\$ --	\$ 192
Accrued Wages	--	--	--	3,927	--	1,992
<b>Total Liabilities</b>	<b>45,053</b>	<b>--</b>	<b>--</b>	<b>14,988</b>	<b>--</b>	<b>2,184</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Taxes Levied for a Subsequent Period	--	172,089	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>45,053</b>	<b>172,089</b>	<b>--</b>	<b>14,988</b>	<b>--</b>	<b>2,184</b>
<b>FUND BALANCE</b>						
Nonspendable	7,536	--	--	382	5,850	32
Restricted	2,259	3	13,413	16,123	16,960	409,671
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>9,795</b>	<b>3</b>	<b>13,413</b>	<b>16,505</b>	<b>22,810</b>	<b>409,703</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 54,848</b>	<b>\$ 172,092</b>	<b>\$ 13,413</b>	<b>\$ 31,493</b>	<b>\$ 22,810</b>	<b>\$ 411,887</b>

**Oceana County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	<u>Special Revenue</u>	<u>Debt Service</u>		<u>Capital Projects</u>		<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Animal Care</u>	<u>Airport Terminal</u>	<u>Ambulance Debt Retirement</u>	<u>Equipment Replacement</u>	<u>Public Improvement</u>	<u>Medical Care Endowment</u>	
<b>ASSETS</b>							
Cash and Investments	\$ 19,826	\$ 121	\$ 2,996	\$ 126,656	\$ 276,269	\$ 316	\$ 1,999,690
Taxes Receivable	--	--	--	--	--	--	486,845
Accounts Receivable	--	--	--	--	--	--	4,410
Due from Other Governments	--	--	--	--	--	--	15,434
Prepays	--	--	--	--	--	--	18,502
<i>Total Assets</i>	<u>\$ 19,826</u>	<u>\$ 121</u>	<u>\$ 2,996</u>	<u>\$ 126,656</u>	<u>\$ 276,269</u>	<u>\$ 316</u>	<u>\$ 2,524,881</u>
<b>LIABILITIES</b>							
Accounts Payable	\$ 534	\$ --	\$ --	\$ 3,850	\$ --	\$ --	\$ 70,122
Accrued Wages	--	--	--	--	--	--	14,099
<i>Total Liabilities</i>	<u>534</u>	<u>--</u>	<u>--</u>	<u>3,850</u>	<u>--</u>	<u>--</u>	<u>84,221</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Taxes Levied for a Subsequent Period	--	--	--	--	--	--	541,416
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>534</u>	<u>--</u>	<u>--</u>	<u>3,850</u>	<u>--</u>	<u>--</u>	<u>625,637</u>
<b>FUND BALANCE</b>							
Nonspendable	--	--	--	--	--	--	18,502
Restricted	19,292	121	2,996	--	276,269	316	1,757,936
Committed	--	--	--	122,806	--	--	122,806
Unassigned	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>19,292</u>	<u>121</u>	<u>2,996</u>	<u>122,806</u>	<u>276,269</u>	<u>316</u>	<u>1,899,244</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<u>\$ 19,826</u>	<u>\$ 121</u>	<u>\$ 2,996</u>	<u>\$ 126,656</u>	<u>\$ 276,269</u>	<u>\$ 316</u>	<u>\$ 2,524,881</u>

**Oceana County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2019**

	Special Revenue					
	Animal Control Building	Building Department	Interim Elderly and Handicapped	Register of Deeds Automation	Emergency Management Reserves Corp	Victims Services
<b>Revenues</b>						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	402,167	--	--	--	--
Intergovernmental	--	--	27,828	--	--	--
Charges for Services	--	--	--	34,735	--	--
Fines and Forfeits	--	--	--	--	--	--
Interest and Rents	5	2,821	--	407	9	22
Other Revenue	--	240	--	--	370	--
<i>Total Revenues</i>	<u>5</u>	<u>405,228</u>	<u>27,828</u>	<u>35,142</u>	<u>379</u>	<u>22</u>
<b>Expenditures</b>						
General Government	--	--	--	32,287	--	--
Public Safety	--	377,175	--	--	843	61
Health and Welfare	--	--	27,828	--	--	--
Community and Economic Development	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--
<i>Total Expenditures</i>	<u>--</u>	<u>377,175</u>	<u>27,828</u>	<u>32,287</u>	<u>843</u>	<u>61</u>
<i>Excess of Revenues Over</i>						
<i>(Under) Expenditures</i>	<u>5</u>	<u>28,053</u>	<u>--</u>	<u>2,855</u>	<u>(464)</u>	<u>(39)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In	--	--	--	--	--	--
Transfers Out	--	--	--	--	--	--
<i>Net Other Financing Sources (Uses)</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Net Change in Fund Balance</i>	<u>5</u>	<u>28,053</u>	<u>--</u>	<u>2,855</u>	<u>(464)</u>	<u>(39)</u>
<i>Fund Balance at Beginning of Period</i>	950	168,520	--	76,291	1,535	4,343
<i>Fund Balance at End of Period</i>	<u>\$ 955</u>	<u>\$ 196,573</u>	<u>\$ --</u>	<u>\$ 79,146</u>	<u>\$ 1,071</u>	<u>\$ 4,304</u>

**Oceana County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2019**

	<b>Special Revenue</b>					
	<b>Local Correction Officer Training</b>	<b>Drug Law Enforcement</b>	<b>Law Library</b>	<b>CDBG Housing</b>	<b>Child Care</b>	<b>Criminal Justice Training</b>
<b>Revenues</b>						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--	--	--	--
Intergovernmental	--	--	--	--	88,883	3,541
Charges for Services	12,564	272	--	89,782	18,597	--
Fines and Forfeits	--	--	3,500	--	--	--
Interest and Rents	94	1	138	403	491	52
Other Revenue	--	--	--	--	--	--
<b>Total Revenues</b>	<b>12,658</b>	<b>273</b>	<b>3,638</b>	<b>90,185</b>	<b>107,971</b>	<b>3,593</b>
<b>Expenditures</b>						
General Government	--	--	12,545	--	--	--
Public Safety	5,315	--	--	--	--	1,739
Health and Welfare	--	--	--	--	207,232	--
Community and Economic Development	--	--	--	25	--	--
Debt Service - Principal	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>5,315</b>	<b>--</b>	<b>12,545</b>	<b>25</b>	<b>207,232</b>	<b>1,739</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>7,343</b>	<b>273</b>	<b>(8,907)</b>	<b>90,160</b>	<b>(99,261)</b>	<b>1,854</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	--	--	11,500	--	105,000	--
Transfers Out	--	--	--	(10,000)	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>11,500</b>	<b>(10,000)</b>	<b>105,000</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>7,343</b>	<b>273</b>	<b>2,593</b>	<b>80,160</b>	<b>5,739</b>	<b>1,854</b>
<i>Fund Balance at Beginning of Period</i>	15,740	--	21,419	66,559	139,499	9,411
<b>Fund Balance at End of Period</b>	<b>\$ 23,083</b>	<b>\$ 273</b>	<b>\$ 24,012</b>	<b>\$ 146,719</b>	<b>\$ 145,238</b>	<b>\$ 11,265</b>

**Oceana County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2019**

	Special Revenue					
	Soldiers' and Sailors' Relief	Medical Care Facility Building Fund	Concealed Pistol	WM Field Rail Trail	Oceana-Mason DHHS	K9 Unit
<b>Revenues</b>						
Taxes	\$ 120,366	\$ 240,612	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	14,288	--	--	--
Intergovernmental	50,475	--	--	--	--	--
Charges for Services	--	--	--	--	--	--
Fines and Forfeits	--	--	--	--	--	--
Interest and Rents	3,072	3,581	292	47	67	139
Other Revenue	1,610	--	--	--	--	2,535
<b>Total Revenues</b>	<b>175,523</b>	<b>244,193</b>	<b>14,580</b>	<b>47</b>	<b>67</b>	<b>2,674</b>
<b>Expenditures</b>						
General Government	--	--	--	--	--	--
Public Safety	--	--	823	--	--	1,108
Health and Welfare	165,034	146	--	--	9,325	--
Community and Economic Development	--	--	--	--	--	--
Debt Service - Principal	--	210,000	--	--	--	--
Debt Service - Interest	--	33,810	--	--	--	--
Capital Outlay	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>165,034</b>	<b>243,956</b>	<b>823</b>	<b>--</b>	<b>9,325</b>	<b>1,108</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>10,489</b>	<b>237</b>	<b>13,757</b>	<b>47</b>	<b>(9,258)</b>	<b>1,566</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	--	--	--	--	9,000	--
Transfers Out	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>9,000</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>10,489</b>	<b>237</b>	<b>13,757</b>	<b>47</b>	<b>(258)</b>	<b>1,566</b>
<i>Fund Balance at Beginning of Period</i>	73,187	178,470	50,957	9,156	8,733	26,235
<b>Fund Balance at End of Period</b>	<b>\$ 83,676</b>	<b>\$ 178,707</b>	<b>\$ 64,714</b>	<b>\$ 9,203</b>	<b>\$ 8,475</b>	<b>\$ 27,801</b>

**Oceana County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2019**

	Special Revenue					
	Technology and Innovation	Mason/Oceana 911	Improvement and Services Fund	Indigent Defense Fund	GIS	Friend of the Court
<b>Revenues</b>						
Taxes	\$ --	\$ 168,281	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--	--	--	--
Intergovernmental	--	155,693	--	142,094	--	22,799
Charges for Services	--	--	10,338	--	--	23,364
Fines and Forfeits	--	--	--	--	--	--
Interest and Rents	184	71	75	2,402	84	7,416
Other Revenue	90	--	--	--	14,685	--
<b>Total Revenues</b>	<b>274</b>	<b>324,045</b>	<b>10,413</b>	<b>144,496</b>	<b>14,769</b>	<b>53,579</b>
<b>Expenditures</b>						
General Government	157,390	--	627	336,778	9,659	55,532
Public Safety	--	324,046	--	--	--	--
Health and Welfare	--	--	--	--	--	--
Community and Economic Development	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>157,390</b>	<b>324,046</b>	<b>627</b>	<b>336,778</b>	<b>9,659</b>	<b>55,532</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(157,116)</b>	<b>(1)</b>	<b>9,786</b>	<b>(192,282)</b>	<b>5,110</b>	<b>(1,953)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	153,000	--	--	160,924	--	--
Transfers Out	--	--	(9,900)	(69,971)	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>153,000</b>	<b>--</b>	<b>(9,900)</b>	<b>90,953</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>(4,116)</b>	<b>(1)</b>	<b>(114)</b>	<b>(101,329)</b>	<b>5,110</b>	<b>(1,953)</b>
<b>Fund Balance at Beginning of Period</b>	<b>13,911</b>	<b>4</b>	<b>13,527</b>	<b>117,834</b>	<b>17,700</b>	<b>411,656</b>
<b>Fund Balance at End of Period</b>	<b>\$ 9,795</b>	<b>\$ 3</b>	<b>\$ 13,413</b>	<b>\$ 16,505</b>	<b>\$ 22,810</b>	<b>\$ 409,703</b>

**Oceana County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2019**

	Special Revenue	Debt Service			Capital Projects		Permanent	Total Nonmajor Governmental Funds
	Animal Care	Airport Terminal	Ambulance Debt Retirement	Equipment Replacement	Public Improvement	Medical Care Endowment		
<b>Revenues</b>								
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 529,259
Licenses and Permits	--	--	--	--	--	--	--	416,455
Intergovernmental	--	--	--	--	--	--	--	491,313
Charges for Services	11,339	--	--	--	--	--	--	200,991
Fines and Forfeits	--	--	--	--	--	--	--	3,500
Interest and Rents	93	59	75	178	1,005	7	7	23,290
Other Revenue	--	--	--	30,000	--	--	--	49,530
<b>Total Revenues</b>	<b>11,432</b>	<b>59</b>	<b>75</b>	<b>30,178</b>	<b>1,005</b>	<b>7</b>		<b>1,714,338</b>
<b>Expenditures</b>								
General Government	--	--	--	14,442	2,625	--	--	621,885
Public Safety	10,985	--	--	--	--	--	--	722,095
Health and Welfare	--	--	--	--	--	--	--	409,565
Community and Economic Development	--	--	--	--	--	--	--	25
Debt Service - Principal	--	20,000	20,000	--	--	--	--	250,000
Debt Service - Interest	--	3,018	3,773	--	--	--	--	40,601
Capital Outlay	--	--	--	178,378	--	--	--	178,378
<b>Total Expenditures</b>	<b>10,985</b>	<b>23,018</b>	<b>23,773</b>	<b>192,820</b>	<b>2,625</b>	<b>--</b>	<b>--</b>	<b>2,222,549</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>447</b>	<b>(22,959)</b>	<b>(23,698)</b>	<b>(162,642)</b>	<b>(1,620)</b>	<b>7</b>		<b>(508,211)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	--	23,000	23,750	276,352	250,000	--	--	1,012,526
Transfers Out	--	--	--	(4,700)	--	--	--	(94,571)
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>23,000</b>	<b>23,750</b>	<b>271,652</b>	<b>250,000</b>	<b>--</b>	<b>--</b>	<b>917,955</b>
<b>Net Change in Fund Balance</b>	<b>447</b>	<b>41</b>	<b>52</b>	<b>109,010</b>	<b>248,380</b>	<b>7</b>	<b>7</b>	<b>409,744</b>
<i>Fund Balance at Beginning of Period</i>	18,845	80	2,944	13,796	27,889	309		1,489,500
<b>Fund Balance at End of Period</b>	<b>\$ 19,292</b>	<b>\$ 121</b>	<b>\$ 2,996</b>	<b>\$ 122,806</b>	<b>\$ 276,269</b>	<b>\$ 316</b>	<b>\$</b>	<b>\$ 1,899,244</b>

**Oceana County**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**December 31, 2019**

	Enterprise		
	Homestead Denial	Jail Commissary	Total Enterprise Funds
<b>ASSETS</b>			
Cash and Investments	\$ 5,810	\$ 57,854	\$ 63,664
<i>Total Assets</i>	5,810	57,854	63,664
<b>NET POSITION</b>			
<i>Unrestricted</i>	5,810	57,854	63,664
<i>Total Net Position</i>	\$ 5,810	\$ 57,854	\$ 63,664

**Oceana County**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2019**

	Enterprise			Total Enterprise Funds
	Homestead Denial	Housing Commission	Jail Commissary	
<b>Operating Revenues</b>				
Charges for Services	\$ 2,824	\$ --	\$ 102,768	\$ 105,592
<i>Total Operating Revenues</i>	<u>2,824</u>	<u>--</u>	<u>102,768</u>	<u>105,592</u>
<b>Operating Expenses</b>				
Operations	--	15,000	69,242	84,242
<i>Total Operating Expenses</i>	<u>--</u>	<u>15,000</u>	<u>69,242</u>	<u>84,242</u>
<i>Operating Income (Loss)</i>	<u>2,824</u>	<u>(15,000)</u>	<u>33,526</u>	<u>21,350</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Income	26	--	--	26
<i>Net Non-Operating Revenues (Expenses)</i>	<u>26</u>	<u>--</u>	<u>--</u>	<u>26</u>
<i>Income Before Contributions and Transfers</i>	2,850	(15,000)	33,526	21,376
Transfers In	--	15,000	--	15,000
Transfers Out	(9,475)	--	--	(9,475)
<i>Change In Net Position</i>	<u>(6,625)</u>	<u>--</u>	<u>33,526</u>	<u>26,901</u>
<i>Net Position at Beginning of Period</i>	12,435	--	24,328	36,763
<i>Net Position at End of Period</i>	<u>\$ 5,810</u>	<u>\$ --</u>	<u>\$ 57,854</u>	<u>\$ 63,664</u>

**Oceana County**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2019**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total Enterprise Funds</u>
	<u>Homestead Denial</u>	<u>Housing Commission</u>	<u>Jail Commissary</u>	
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers	\$ 2,824	\$ -	\$ 102,768	\$ 105,592
Cash Paid to Suppliers	-	(15,000)	(69,242)	(84,242)
<b><i>Net Cash Provided (Used) by Operating Activities</i></b>	<u>2,824</u>	<u>(15,000)</u>	<u>33,526</u>	<u>21,350</u>
<b>Cash Flows from Noncapital and Related Financing Activities</b>				
Transfers In (Out)	(9,475)	15,000	-	5,525
<b><i>Net Cash Provided (Used) by Noncapital and Related Financing Activities</i></b>	<u>(9,475)</u>	<u>15,000</u>	<u>-</u>	<u>5,525</u>
<b>Cash Flows from Investing Activities</b>				
Interest Income	26	-	-	26
<b><i>Net Cash Provided by Investing Activities</i></b>	<u>26</u>	<u>-</u>	<u>-</u>	<u>26</u>
Net Increase (Decrease) in Cash and Investments	(6,625)	-	33,526	26,901
Cash and Investments - Beginning of the Year	12,435	-	24,328	36,763
<b>Cash and Investments - End of the Year</b>	<u>\$ 5,810</u>	<u>\$ -</u>	<u>\$ 57,854</u>	<u>\$ 63,664</u>
<b>Reconciliation of Operating Income (Loss) to</b>				
<b>Net Cash Provided by (Used in) Operating Activities</b>				
Operating Income (Loss)	\$ 2,824	\$ (15,000)	\$ 33,526	\$ 21,350
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 2,824</u>	<u>\$ (15,000)</u>	<u>\$ 33,526</u>	<u>\$ 21,350</u>

**Oceana County**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2019**

	<u>Agency</u>						
	<u>Trust and Agency</u>	<u>Library</u>	<u>FOC Child Support</u>	<u>Fiduciary Escrow Trust</u>	<u>Inmate Trust</u>	<u>Payroll Clearing Account</u>	<u>Total</u>
<b>ASSETS</b>							
Cash and Investments	\$ 270,156	\$ 80,373	\$ 21	\$ 2	\$ 15,558	\$ 14,192	\$ 380,302
Accounts Receivable	--	10,176	--	--	--	--	10,176
<i>Total Assets</i>	<u>270,156</u>	<u>90,549</u>	<u>21</u>	<u>2</u>	<u>15,558</u>	<u>14,192</u>	<u>390,478</u>
<b>LIABILITIES</b>							
Assets Held on Behalf of Others	270,156	90,549	21	2	15,558	14,192	390,478
<i>Total Liabilities</i>	<u>\$ 270,156</u>	<u>\$ 90,549</u>	<u>\$ 21</u>	<u>\$ 2</u>	<u>\$ 15,558</u>	<u>\$ 14,192</u>	<u>\$ 390,478</u>

**Oceana County Drainage Districts**  
**Statement of Net Position**  
**December 31, 2019**

**ASSETS**

*Current Assets*

Cash and Investments	\$	411,089
Special Assessments Receivable		307,223
<b><i>Total Current Assets</i></b>		<b>718,312</b>

*Noncurrent Assets*

Capital Assets, net of Accumulated Depreciation		2,292,441
<b><i>Total Assets</i></b>		<b>3,010,753</b>

**LIABILITIES**

*Current Liabilities*

Accounts Payable		10,967
Current Portion of Compensated Absences		1,818
Current Portion of Long-term Debt		10,578
Accrued Interest		465
<b><i>Total Current Liabilities</i></b>		<b>23,828</b>

*Noncurrent Liabilities*

Advances from Other Governmental Units		82,808
Compensated Absences		2,344
Long-term Debt		31,732
<b><i>Total Liabilities</i></b>		<b>140,712</b>

**NET POSITION**

Net Investment in Capital Assets		2,250,131
<i>Restricted for:</i>		
Restricted for Debt Service		11
Restricted for Capital Improvements		619,899
<i>Unrestricted</i>		--
<b><i>Total Net Position</i></b>	<b>\$</b>	<b>2,870,041</b>

**Oceana County Drainage Districts  
Statement of Activities  
For the Year Ended December 31, 2019**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
Public Works	\$ 297,296	\$ 145,326	\$ --	\$ --	\$ (151,970)
Interest on Long-term Debt	4,404	--	--	--	(4,404)
<b>Total</b>	<b>\$ 301,700</b>	<b>\$ 145,326</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ (156,374)</b>

**General Purpose Revenues:**

Interest Revenue	3,319
<b>Total General Revenues</b>	<b>3,319</b>
<b>Change in Net Position</b>	<b>(153,055)</b>
<i>Net Position at Beginning of Period</i>	<u>3,023,096</u>
<b>Net Position at End of Period</b>	<b>\$ <u>2,870,041</u></b>

**Oceana County Drainage Districts  
Balance Sheet  
Governmental Funds  
December 31, 2019**

	Debt Service		Capital Projects				Total Governmental Funds	
	Drain Debt	Drain Construction Fund	Drain Equipment Revolving	Regular Drain	Drain Revolving	Crystal Lake Improvement		Stony Lake Board
<b>ASSETS</b>								
Cash and Investments	\$ 11	\$ --	\$ 1,816	\$ 344,220	\$ 1,958	\$ 5,159	\$ 57,925	\$ 411,089
Special Assessments Receivable	--	--	--	273,522	--	--	33,701	307,223
Due from Other Funds	--	--	--	--	34,686	--	--	34,686
<b>Total Assets</b>	<b>\$ 11</b>	<b>\$ --</b>	<b>\$ 1,816</b>	<b>\$ 617,742</b>	<b>\$ 36,644</b>	<b>\$ 5,159</b>	<b>\$ 91,626</b>	<b>\$ 752,998</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ --	\$ --	\$ --	7,711	6	--	3,250	10,967
Due to Other Funds	--	--	--	34,686	--	--	--	34,686
Advances from Other Governmental Units	--	--	--	51,608	31,200	--	--	82,808
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>94,005</b>	<b>31,206</b>	<b>--</b>	<b>3,250</b>	<b>128,461</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenues - Special Assessments	--	--	--	273,525	--	--	33,701	307,226
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>367,530</b>	<b>31,206</b>	<b>--</b>	<b>36,951</b>	<b>435,687</b>
<b>FUND BALANCE</b>								
Restricted	11	--	1,816	250,212	5,438	5,159	54,675	317,311
Unassigned	--	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>11</b>	<b>--</b>	<b>1,816</b>	<b>250,212</b>	<b>5,438</b>	<b>5,159</b>	<b>54,675</b>	<b>317,311</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 11</b>	<b>\$ --</b>	<b>\$ 1,816</b>	<b>\$ 617,742</b>	<b>\$ 36,644</b>	<b>\$ 5,159</b>	<b>\$ 91,626</b>	<b>\$ 752,998</b>

**Oceana County Drainage Districts**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2019**

Total Fund Balance - Governmental Funds	\$	317,311
Capital assets used in governmental activities of \$4,262,926, net of accumulated depreciation of \$1,970,485, are not financial resources and therefore are not reported as assets in the governmental funds.		2,292,441
Long-term receivables are not available to pay for current period expenditures and are therefore reported as deferred inflows of resources in the funds.		307,226
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of bonds and notes payable of \$42,310.		(42,310)
In the statement of activities, interest is accrued on outstanding bonds and notes payable, whereas in governmental funds, the interest expenditure is reported when due.		(465)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(4,162)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>2,870,041</u></b>

**Oceana County Drainage Districts**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	Debt Service		Capital Projects				Total Governmental Funds	
	Drain Debt	Drain Construction Fund	Drain Equipment Revolving	Regular Drain	Drain Revolving	Crystal Lake Improvement		Stony Lake Board
<b>Revenues</b>								
Special Assessments	\$ --	\$ --	\$ --	\$ 290,961	\$ --	\$ --	\$ 39,577	\$ 330,538
Other Revenue	--	--	1,798	1,236	--	--	--	3,034
Interest Revenue	--	134	14	2,827	19	26	299	3,319
<b>Total Revenues</b>	<u>--</u>	<u>134</u>	<u>1,812</u>	<u>295,024</u>	<u>19</u>	<u>26</u>	<u>39,876</u>	<u>336,891</u>
<b>Expenditures</b>								
Public Works	--	--	1,238	170,404	--	--	17,044	188,686
Capital Outlay	--	2,945	--	992	--	--	--	3,937
Debt Service - Principal	10,578	--	--	173,000	--	--	--	183,578
Debt Service - Interest	1,742	--	--	2,778	--	--	--	4,520
<b>Total Expenditures</b>	<u>12,320</u>	<u>2,945</u>	<u>1,238</u>	<u>347,174</u>	<u>--</u>	<u>--</u>	<u>17,044</u>	<u>380,721</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(12,320)</u>	<u>(2,811)</u>	<u>574</u>	<u>(52,150)</u>	<u>19</u>	<u>26</u>	<u>22,832</u>	<u>(43,830)</u>
<b>Other Financing Sources (Uses)</b>								
Transfers In	12,320	--	--	29,500	--	--	--	41,820
Transfers Out	--	(29,500)	--	(12,320)	--	--	--	(41,820)
<b>Net Other Financing Sources (Uses)</b>	<u>12,320</u>	<u>(29,500)</u>	<u>--</u>	<u>17,180</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>(32,311)</u>	<u>574</u>	<u>(34,970)</u>	<u>19</u>	<u>26</u>	<u>22,832</u>	<u>(43,830)</u>
<i>Fund Balance at Beginning of Period</i>	11	32,311	1,242	285,182	5,419	5,133	31,843	361,141
<b>Fund Balance at End of Period</b>	<u>\$ 11</u>	<u>\$ --</u>	<u>\$ 1,816</u>	<u>\$ 250,212</u>	<u>\$ 5,438</u>	<u>\$ 5,159</u>	<u>\$ 54,675</u>	<u>\$ 317,311</u>

**Oceana County Drainage Districts**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended December 31, 2019**

Total Net Change in Fund Balances - Governmental Funds	\$	(43,830)
Capital outlays are reported as expenditures in the governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This amount represents current year depreciation expense of \$104,448 less capital outlay of \$3,937.		(100,511)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(188,246)
Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of note principal retirement of \$183,578.		183,578
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position.		116
Change to compensated absences are not shown in the fund financial statements. The net effect of the current year increase in compensated absences is to decrease net position.		(4,162)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>(153,055)</u></b>

**Oceana County Economic Development Corporation**  
**Statement of Net Position**  
**December 31, 2019**

<b>ASSETS</b>	
<i>Total Assets</i>	--
<b>LIABILITIES</b>	
<i>Total Liabilities</i>	--
<b>NET POSITION</b>	
<i>Unrestricted</i>	--
<i>Total Net Position</i>	\$ --

**Oceana County Economic Development Corporation  
Statement of Activities  
For the Year Ended December 31, 2019**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
Community and Economic Development	\$ 115,946	\$ 10,825	\$ 50,000	\$ --	\$ (55,121)
<i>Total</i>	\$ 115,946	\$ 10,825	\$ 50,000	\$ --	\$ (55,121)
<i>Change in Net Position</i>					(55,121)
<i>Net Position at Beginning of Period</i>					55,121
<i>Net Position at End of Period</i>					\$ --

**Oceana County Economic Development Corporation  
Balance Sheet  
Governmental Funds  
December 31, 2019**

	<u>General</u>	<u>Special Revenue</u> <u>Revolving Loan</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>ASSETS</b>			
<i>Total Assets</i>	\$ --	\$ --	\$ --
<b>LIABILITIES</b>			
<i>Total Liabilities</i>	--	--	--
<b>FUND BALANCE</b>			
Unassigned	--	--	--
<i>Total Fund Balance</i>	--	--	--
<i>Total Liabilities and Fund Balance</i>	\$ --	\$ --	\$ --

**Oceana County Economic Development Corporation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	<u>Special Revenue</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Revolving Loan Fund</u>	
<b>Revenues</b>			
Intergovernmental - Local	\$ 50,000	\$ --	\$ 50,000
Charges for Services	10,750	--	10,750
Other Revenue / Reimbursements	75	--	75
<b>Total Revenues</b>	<u>60,825</u>	<u>--</u>	<u>60,825</u>
<b>Expenditures</b>			
Contractual Services	92,654	23,255	115,909
Supplies and Materials	37	--	37
<b>Total Expenditures</b>	<u>92,691</u>	<u>23,255</u>	<u>115,946</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(31,866)</u>	<u>(23,255)</u>	<u>(55,121)</u>
<b>Net Change in Fund Balance</b>	<u>(31,866)</u>	<u>(23,255)</u>	<u>(55,121)</u>
<i>Fund Balance at Beginning of Period</i>	31,866	23,255	55,121
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

# Oceana County

Annual Continuing Disclosure  
(UNAUDITED)  
Year Ended December 31, 2019



**Oceana County**  
Continuing Disclosure – Unaudited  
December 31, 2019

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**ANNUAL REPORT COVER SHEET**

This cover sheet and the attached Annual Report or portion thereof is filed electronically with the Municipal Securities Rulemaking Board through the EMMA Dataport at <http://www.emma.msrb.org> pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(A) and (B).

Issuer's Name: County of Oceana, State of Michigan  
Issuer's Six-Digit CUSIP Number(s): 675175 and 428073  
Number of pages of the attached Annual Report or portion thereof: four pages  
Fiscal Period: January 1, 2019 to December 31, 2019

Name of Bond Issues to which the attached Annual Report relates:

Hesperia Intercounty Drainage District, dated July 12, 2001	CUSIP 428073
County of Oceana, Capital Improvement Refunding Bonds, Series 2012B	675175

I hereby represent that I am authorized by the Issuer to distribute this information publicly.

Signature:

**/s/ Robert J. Sobie, Ph.D.**

Name: Robert J. Sobie, Ph.D.  
Title: Administrator/Fiscal Officer  
Employer: County of Oceana  
Address: 100 State Street, Suite M-4  
Hart, Michigan 49420  
Telephone: 231.873.4835

**Oceana County**  
 Continuing Disclosure – Unaudited  
 December 31, 2019

**COUNTY TAXATION AND LIMITATIONS**

**Property Tax Levy History**

<u>Purpose</u>	<u>7/1/2019</u>	<u>12/1/2019</u>
County Operating <sup>(1)</sup>	5.7500	-
Ambulance Service <sup>(1)(2)</sup>	-	0.9948
Medical Care Facility <sup>(1)(2)</sup>	-	2.4847
Council on Aging <sup>(2)</sup>	-	1.0000
Veterans <sup>(2)</sup>	-	0.1000
911 <sup>(1)</sup>	-	0.1398
<b>Total County</b>	<b><u>5.7500</u></b>	<b><u>4.7193</u></b>

(1) Reduced from allocated amounts as a result of the 1994 State Constitutional Amendment.

(2) Voter approved millages.

**SEV and Taxable Valuation History**

<u>Year of Valuation</u>	<u>SEV</u>	<u>Taxable Valuation</u>	<u>SEV Percentage Over Prior Year</u>	<u>Taxable Valuation Percent Over Prior Year</u>
2019	\$ 1,708,841,250	\$ 1,231,703,501	4.82%	2.53%

**Property Tax Collection History**

<u>Year of Levy</u>	<u>Total Tax Levy as of December 1</u>	<u>Collections to March 1 Year Following Levy</u>	<u>% Collected</u>	<u>Collections to July 1 Year Following Levy</u>
2019	\$ 47,941,539	\$ 44,428,947	92.7%	\$ 3,335,329

**Oceana County**  
 Continuing Disclosure – Unaudited  
 December 31, 2019

**REVENUES FROM THE STATE OF MICHIGAN**

<u>Fiscal Year Ended/Ending</u>	<u>Revenue Sharing/CIP Payments</u>
December 31, 2019	\$ 552,013

**COUNTY DEBT as of December 31, 2019**

<b>Statement of Legal Debt Margin</b>	
2019 State Equalized Valuation	\$ 1,708,841,250
Legal Debt Limit (10% of SEV)	170,884,125
Debt Outstanding	<u>1,095,000</u>
Additional debt that can legally be incurred	<u>\$ 169,789,125</u>

**Debt Statement**

The following table reflects a breakdown of the County's direct and overlapping debt as of December 31, 2019:

<u>Direct Debt</u>	<u>Gross</u>	<u>Self-supporting or Portion Paid Directly by Benefited Municipalities</u>	<u>Net</u>	<u>Net Debt</u>	
				<u>Per Capita <sup>(1)</sup></u>	<u>Percent of SEV</u>
Capital Improvement Bonds (L.T.G.O.)	\$ 3,140,000	\$ -	\$ 1,095,000	\$ 41	0.07%
<b><u>Overlapping Debt of County <sup>(2)</sup></u></b>					
School Districts			\$ 54,840,975		
Intermediate School Districts			50,297		
Cities			200,000		
Villages			5,099,128		
Library			147,745		
Township			<u>169</u>		
Total Overlapping Debt			<u>60,338,314</u>	<u>2,271</u>	<u>3.70%</u>
Total County Net and Overlapping Debt			<u>\$ 61,433,314</u>	<u>\$ 2,312</u>	<u>3.77%</u>

(1) Census figures are obtained directly from the U.S. Census Bureau

(2) Overlapping debt is the issuer's proportionate share of the debt of other local governmental units that either overlap it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer, i.e. School District to City). The debt is generally apportioned based upon relative assessed values.

Source: County of Oceana, Municipal Advisory Council of Michigan

**Oceana County**  
Continuing Disclosure – Unaudited  
December 31, 2019

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**Debt History**

There is no record of default on any obligation of the County.

**Short-term Financing**

The County has not issued short-term obligations for cash flow purposes.

**Lease Obligations**

As of December 31, 2019 the County had no capital lease obligations.

**Retirement System**

For a description of the retirement benefits of the County employees as of December 31, 2019 see the County's GENERAL PURPOSE FINANCIAL STATEMENTS – Notes to General Purpose Financial Statements – Note 8 at the link shown below:

<https://treas-secure.state.mi.us/LAFDocSearch/>

**LABOR CONTRACTS**

Some of the County's employees are represented by labor organizations. The following table illustrates the various labor organizations that represent County employees, the number of members and non-members and the current contract date.

<b>Bargaining Unit</b>	<b>Employees at December 31, 2019</b>	<b>Current Contract Expiration Date</b>
County Sheriff Department Command	2	12/31/2020
County Sheriff Department Non-Command	27	12/31/2021
Medical Care Facility	193	12/31/2022
Ambulance	0	n/a
Non-Union	63	n/a
<b><i>Total</i></b>	<b>285</b>	

**Oceana County**  
 Continuing Disclosure – Unaudited  
 December 31, 2019

**Major Taxpayers**

<u>Taxpayer</u>	<u>Product or Service</u>	<u>2019 Taxable Value</u>	<u>Percent of Total 2019 Taxable Value</u>
Oceana Co Freezer Storage, Inc.	Agriculture	\$ 11,830,415	0.96%
E & L Peterson Land, Inc.	Agriculture	11,129,285	0.90%
Great Lakes Energy	Utilities	10,243,872	0.83%
Consumers Energy	Utilities	7,450,952	0.60%
Double JJ Propco LLC	Hospitality	4,778,378	0.39%
Wolverine Power Supply Co-Op	Utilities	3,919,312	0.32%
Barber Steel Foundry Corp	Industrial	4,424,579	0.36%
Willow Cold Storage Corp	Agriculture	3,415,218	0.28%
Arbre Farms Corp	Agriculture	3,738,069	0.30%
Valley View Pork LLC	Agriculture	6,268,913	0.51%
	Totals	<u>\$ 67,198,993</u>	<u>5.46%</u>

SOURCE: County of Oceana

June 24, 2020

To the Board of Commissioners  
Oceana County, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oceana County, Michigan (the "County") as of and for the year ended December 31, 2019. Our report includes a reference to other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 3, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended December 31, 2019. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the County's financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences and the related pay rates as of December 31, 2019.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

- Management's assumptions used to calculate the actuarial report and the net present value of post-employment benefits, including health and pension benefits.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 24, 2020.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Other Matters*

We applied certain limited procedures to the budgetary comparison schedules, the required pension and OPEB schedules, and management's discussion and analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on Oceana County's continuing disclosure filing, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

*Restriction on Use*

This information is intended solely for the use of management, the Board of Commissioners, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



Gabridge & Company, PLC  
Grand Rapids, MI