

Oceana County

Annual Financial Report
Year Ended December 31, 2020



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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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent 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 49.9 percent, 56.5 percent, and 37.7 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller general of 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, 2020, 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.

Change in Accounting Principle

As stated in Note 14 to the basic financial statements, the County adopted GASB Statement No. 84 *Fiduciary Activities* in 2020, which represents a change in its policy for reporting fiduciary activities. Accordingly, beginning net position of the fiduciary funds were restated. Our opinions are not modified with respect to this matter.

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 and other auditors 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Gabridge & Company, PLC
Grand Rapids, Michigan
July 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Oceana County
Management's Discussion and Analysis
December 31, 2020

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, 2020. 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, 2020 by \$14,563,588. Of this amount, \$6,896,638 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased \$2,124,257 during the year. Revenues increased by \$1,908,775 during the year and expenses for the County increased by \$1,021,821 from the prior fiscal year.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$8,676,326, an increase of \$1,211,486 in comparison with the prior year. Approximately 49.8% of this amount (or \$4,320,349) is available for spending at the government's discretion (unassigned fund balance).
- At year-end, unassigned fund balance for the general fund was \$4,320,349, or 39.0% of the general fund's annualized expenditures and transfers out.
- The County paid down long-term debt by \$260,000 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, and the Oceana Medical Care Facility. 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 \$14,563,588 at the close of the most recent fiscal year. A large portion of the County's net position (29.9% or \$4,347,682) 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 (22.8% or \$3,319,268) 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 (47.3%, or \$6,896,638) 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	
	2020	2019	2020	2019	2020	2019
ASSETS						
<i>Current Assets</i>						
Cash and Investments	\$ 8,549,451	\$ 7,605,481	\$ 6,513,739	\$ 5,702,557	\$ 15,063,190	\$ 13,308,038
Taxes Receivable	3,360,620	3,271,977	1,293,908	1,304,312	4,654,528	4,576,289
Accounts Receivable	39,769	123,046	-	-	39,769	123,046
Due from Other Governments	295,998	209,695	445	-	296,443	209,695
Prepays	97,861	82,621	-	-	97,861	82,621
Total Current Assets	12,343,699	11,292,820	7,808,092	7,006,869	20,151,791	18,299,689
<i>Noncurrent Assets</i>						
Advances to Other Governmental Units	72,808	82,808	-	-	72,808	82,808
Capital Assets not Being Depreciated	1,730,509	1,730,509	-	-	1,730,509	1,730,509
Capital Assets Being Depreciated	3,452,174	3,713,994	-	-	3,452,174	3,713,994
Total Assets	17,599,190	16,820,131	7,808,092	7,006,869	25,407,282	23,827,000
DEFERRED OUTFLOWS OF RESOURCES						
Pension	1,845,241	2,635,114	-	-	1,845,241	2,635,114
OPEB	587,742	382,604	-	-	587,742	382,604
Total Deferred Outflows of Resources	2,432,983	3,017,718	-	-	2,432,983	3,017,718
LIABILITIES						
<i>Current Liabilities</i>						
Accounts Payable	207,711	294,254	179	7,247	207,890	301,501
Accrued Wages	65,347	205,772	-	-	65,347	205,772
Accrued Interest	4,175	5,475	-	-	4,175	5,475
Current Portion of Long-term Debt	270,000	260,000	-	-	270,000	260,000
Other Liabilities	20,971	-	-	-	20,971	-
Current Portion of Compensated Absences	150,789	161,346	-	-	150,789	161,346
Total Current Liabilities	718,993	926,847	179	7,247	719,172	934,094
<i>Noncurrent Liabilities</i>						
Long-term Debt	565,000	835,000	-	-	565,000	835,000
Compensated Absences	452,367	482,096	-	-	452,367	482,096
Net OPEB Liability	1,081,414	836,223	-	-	1,081,414	836,223
Net Pension Liability	7,224,689	7,788,936	-	-	7,224,689	7,788,936
Total Liabilities	10,042,463	10,869,102	179	7,247	10,042,642	10,876,349
DEFERRED INFLOWS OF RESOURCES						
Pension	19,030	389,010	-	-	19,030	389,010
OPEB	180,379	140,042	-	-	180,379	140,042
Taxes Levied for a Subsequent Period	3,034,626	2,999,986	-	-	3,034,626	2,999,986
Total Deferred Inflows of Resources	3,234,035	3,529,038	-	-	3,234,035	3,529,038
NET POSITION						
Net Investment in Capital Assets	4,347,682	4,349,503	-	-	4,347,682	4,349,503
Restricted	3,319,268	2,496,402	-	-	3,319,268	2,496,402
Unrestricted	(911,275)	(1,406,196)	7,807,913	6,999,622	6,896,638	5,593,426
Total Net Position	\$ 6,755,675	\$ 5,439,709	\$ 7,807,913	\$ 6,999,622	\$ 14,563,588	\$ 12,439,331

The County's net pension liability decreased by \$564,247 as a result of investment income of \$2,185,366 (roughly 14%) on the County's pension assets during 2019 (a one-year lag exists

between the County's year-end and the valuation reports). Pension-related deferred outflows of resources decreased by \$789,873 primarily due to \$724,948 of 2019's excess earnings that will be deferred and recognized as a reduction of pension expense over the next four years. The County's total net position increased by 17.1%, or \$2,124,257, from \$12,439,331 to \$14,563,588 for the year ended December 31, 2020. 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	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	\$ 2,537,346	\$ 2,271,268	\$ 952,857	\$ 887,984	\$ 3,490,203	\$ 3,159,252
Operating Grants and Contributions	3,458,469	1,717,308	-	-	3,458,469	1,717,308
Capital Grants and Contributions	13,100	191,055	-	-	13,100	191,055
General Revenues						
Taxes	10,366,351	10,065,178	-	-	10,366,351	10,065,178
Intergovernmental	428,895	552,013	-	-	428,895	552,013
Interest Income	60,573	196,645	64,509	91,874	125,082	288,519
Total Revenues	16,864,734	14,993,467	1,017,366	979,858	17,882,100	15,973,325
Expenses						
General Government	5,647,197	5,954,193	-	-	5,647,197	5,954,193
Public Safety	5,141,591	4,809,310	-	-	5,141,591	4,809,310
Public Works	479,458	481,521	-	-	479,458	481,521
Health and Welfare	2,866,140	2,872,395	-	-	2,866,140	2,872,395
Recreation and Culture	48,914	51,487	-	-	48,914	51,487
Community and Economic Development	1,070,894	61,446	-	-	1,070,894	61,446
Interest on Long-term Debt	31,801	39,351	-	-	31,801	39,351
Other Expenses	328,367	257,288	143,481	209,031	471,848	466,319
Total Expenses	15,614,362	14,526,991	143,481	209,031	15,757,843	14,736,022
Changes in Net Position Before Transfers	1,250,372	466,476	873,885	770,827	2,124,257	1,237,303
Net Transfers	65,594	(8,078)	(65,594)	8,078	-	-
Changes in Net Position	1,315,966	458,398	808,291	778,905	2,124,257	1,237,303
<i>Net Position at the Beginning of Period</i>	<i>5,439,709</i>	<i>4,981,311</i>	<i>6,999,622</i>	<i>6,220,717</i>	<i>12,439,331</i>	<i>11,202,028</i>
Net Position at the End of Period	\$ 6,755,675	\$ 5,439,709	\$ 7,807,913	\$ 6,999,622	\$ 14,563,588	\$ 12,439,331

Governmental activities

Governmental activities increased the County's net position by \$1,315,966. The most significant changes between the current year and prior year were; 1) the increase in operating grants and contributions by \$1,741,161 and 2) the corresponding increase in community and economic development expenses of by \$1,009,448 and public safety expenses of \$332,281. This was due primarily to new grants for the CARES Act of \$489,104 and a Community Development Block Grant of \$1,000,000.

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 \$808,291 compared to an increase in net position of \$778,905 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 39.0% of total general fund expenditures and transfers out.

General fund balance increased by \$423,703, from \$4,909,834 to \$5,333,537 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 ambulance fund had an increase in fund balance during the year of \$143,231, from \$655,747 to \$798,978.

The senior citizens' tax fund had a decrease in fund balance during the year of \$13, from \$15 to \$2.

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 \$2,482,964 and for the delinquent tax revolving fund it was \$5,291,173. The foreclosure and the delinquent tax revolving funds experienced an increase in net position in the amount of \$249,230 and \$588,949, 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 expenditures in excess of appropriations during the year ended December 31, 2020.

Capital Asset and Debt Administration

Capital assets. As of December 31, 2020, the County's investment in capital assets for its governmental activities amounted to \$5,182,683 (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 \$261,820, or (4.8)%

Significant capital asset additions during the year included:

- Mini-split for the IT room
- 3 mini-splits for FOC, Probate Court, and the Circuit Court Judge office
- Replacement of rooftop unit at the Sheriff’s Department
- Animal Control truck and two Ford Police Interceptors

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

	Governmental Activities	
	2020	2019
Land	\$ 1,730,509	\$ 1,730,509
Buildings and improvements	2,148,518	2,298,152
Land improvements	546,095	640,945
Equipment and furniture	304,942	296,999
Vehicles	364,226	384,912
Infrastructure	88,393	92,986
Total	\$ 5,182,683	\$ 5,444,503

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, 2020, the County had long-term debt outstanding of \$835,000 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 \$260,000 during the year ended December 31, 2020. 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, 2020.

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 \$10,897,000 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 2020. 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, 2020**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
<i>Current Assets</i>				
Cash and Investments	\$ 8,549,451	\$ 6,513,739	\$ 15,063,190	\$ 7,416,165
Taxes Receivable	3,360,620	1,293,908	4,654,528	2,326,180
Accounts Receivable	39,769	--	39,769	1,581,494
Special Assessments Receivable	--	--	--	187,929
Due from Other Governments	295,998	445	296,443	1,248,770
Prepays	97,861	--	97,861	83,005
Inventory	--	--	--	396,666
Total Current Assets	12,343,699	7,808,092	20,151,791	13,240,209
<i>Noncurrent Assets</i>				
Restricted Investments	--	--	--	405,292
Advances to Other Governmental Units	72,808	--	72,808	--
Capital Asset not Being Depreciated	1,730,509	--	1,730,509	221,915
Capital Assets Being Depreciated	3,452,174	--	3,452,174	43,455,290
Total Assets	17,599,190	7,808,092	25,407,282	57,322,706
DEFERRED OUTFLOWS OF RESOURCES				
Pension	1,845,241	--	1,845,241	984,658
OPEB	587,742	--	587,742	--
Total Deferred Outflows of Resources	2,432,983	--	2,432,983	984,658
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	207,711	179	207,890	682,332
Accrued Wages	65,347	--	65,347	153,928
Accrued Interest	4,175	--	4,175	564
Current Portion of Long-term Debt	270,000	--	270,000	437,898
Other Liabilities	--	--	--	786,605
Assets Held on Behalf of Others	20,971	--	20,971	--
Current Portion of Compensated Absences	150,789	--	150,789	599,814
Total Current Liabilities	718,993	179	719,172	2,661,141
<i>Noncurrent Liabilities</i>				
Advances from Other Governmental Units	--	--	--	72,808
Residents' Trust Payable	--	--	--	2,492
Compensated Absences	452,367	--	452,367	3,279
Long-term Debt	565,000	--	565,000	818,027
Net OPEB Liability	1,081,414	--	1,081,414	177,591
Net Pension Liability	7,224,689	--	7,224,689	4,454,980
Total Liabilities	10,042,463	179	10,042,642	8,190,318
DEFERRED INFLOWS OF RESOURCES				
Pension	19,030	--	19,030	66,039
OPEB	180,379	--	180,379	192,851
Taxes Levied for a Subsequent Period	3,034,626	--	3,034,626	2,549,753
Total Deferred Inflows of Resources	3,234,035	--	3,234,035	2,808,643
NET POSITION				
Net Investment in Capital Assets	4,347,682	--	4,347,682	42,421,280
<i>Restricted for:</i>				
Public Works	--	--	--	553,480
Other Purposes	3,319,268	--	3,319,268	432,117
<i>Unrestricted</i>	(911,275)	7,807,913	6,896,638	3,901,526
Total Net Position	\$ 6,755,675	\$ 7,807,913	\$ 14,563,588	\$ 47,308,403

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, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities:								
General Government	\$ 5,647,197	\$ 1,649,239	\$ 2,150,726	\$ --	\$ (1,847,232)	\$ --	\$ (1,847,232)	\$ --
Public Safety	5,141,591	499,650	162,922	13,100	(4,465,919)	--	(4,465,919)	--
Public Works	479,458	242,811	--	--	(236,647)	--	(236,647)	--
Health and Welfare	2,866,140	126,278	144,821	--	(2,595,041)	--	(2,595,041)	--
Community and Economic Development	1,070,894	11,111	1,000,000	--	(59,783)	--	(59,783)	--
Recreation and Culture	48,914	8,257	--	--	(40,657)	--	(40,657)	--
Other Expenses	328,367	--	--	--	(328,367)	--	(328,367)	--
Interest on Long-term Debt	31,801	--	--	--	(31,801)	--	(31,801)	--
Total Governmental Activities	15,614,362	2,537,346	3,458,469	13,100	(9,605,447)	--	(9,605,447)	--
Business-type Activities:								
Foreclosure	103,850	327,240	--	--	--	223,390	223,390	--
Homestead Denial	157	373	--	--	--	216	216	--
Delinquent Tax Revolving	5,188	555,477	--	--	--	550,289	550,289	--
Housing Commission	5,000	--	--	--	--	(5,000)	(5,000)	--
Jail Commissary	29,286	69,767	--	--	--	40,481	40,481	--
Total Business-type Activities	143,481	952,857	--	--	--	809,376	809,376	--
Total Primary Government	\$ 15,757,843	\$ 3,490,203	\$ 3,458,469	\$ 13,100	(9,605,447)	809,376	(8,796,071)	--
Component Units								
Total Component Units	\$ 30,484,386	\$ 17,728,845	\$ 8,199,790	\$ 3,510,134	--	--	--	(1,045,617)
Total Component Units	\$ 30,484,386	\$ 17,728,845	\$ 8,199,790	\$ 3,510,134	--	--	--	(1,045,617)
General Purpose Revenues and Transfers:								
Taxes					10,366,351	--	10,366,351	3,061,010
Intergovernmental					428,895	--	428,895	--
Interest Income					60,573	64,509	125,082	60,232
Transfers					65,594	(65,594)	--	--
Total General Revenues and Transfers					10,921,413	(1,085)	10,920,328	3,121,242
Change in Net Position					1,315,966	808,291	2,124,257	2,075,625
<i>Net Position at Beginning of Period</i>					5,439,709	6,999,622	12,439,331	45,232,778
Net Position at End of Period					\$ 6,755,675	\$ 7,807,913	\$ 14,563,588	\$ 47,308,403

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

**Oceana County
Balance Sheet
Governmental Funds
December 31, 2020**

	Special Revenue				Total Governmental Funds
	General	Ambulance Fund	Senior Citizens' Tax	Other Governmental Funds	
ASSETS					
Cash and Investments	\$ 4,835,643	\$ 928,748	\$ 111,476	\$ 2,673,584	\$ 8,549,451
Taxes Receivable	638,657	1,048,495	1,161,840	511,628	3,360,620
Accounts Receivable	37,723	1,538	--	508	39,769
Due from Other Governments	275,878	78	--	20,120	296,076
Prepays	77,057	--	--	20,726	97,783
Advances to Other Governmental Units	72,808	--	--	--	72,808
<i>Total Assets</i>	\$ 5,937,766	\$ 1,978,859	\$ 1,273,316	\$ 3,226,566	\$ 12,416,507
LIABILITIES					
Accounts Payable	\$ 112,112	\$ 29,284	\$ --	\$ 66,315	\$ 207,711
Accrued Wages	59,620	--	--	5,727	65,347
Assets Held on Behalf of Others	20,971	--	--	--	20,971
<i>Total Liabilities</i>	192,703	29,284	--	72,042	294,029
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	411,526	--	--	--	411,526
Taxes Levied for a Subsequent Period	--	1,150,597	1,273,314	610,715	3,034,626
<i>Total Liabilities and Deferred Inflows of Resources</i>	604,229	1,179,881	1,273,314	682,757	3,740,181
FUND BALANCE					
Nonspendable	149,865	--	--	20,726	170,591
Restricted	63,323	798,978	2	2,436,239	3,298,542
Committed	800,000	--	--	86,844	886,844
Unassigned	4,320,349	--	--	--	4,320,349
<i>Total Fund Balance</i>	5,333,537	798,978	2	2,543,809	8,676,326
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 5,937,766	\$ 1,978,859	\$ 1,273,316	\$ 3,226,566	\$ 12,416,507

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, 2020

Total Fund Balance - Governmental Funds	\$	8,676,326
General government capital assets of \$12,027,943, net of accumulated depreciation of \$6,845,260, are not financial resources and, accordingly, are not reported in the funds.		5,182,683
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.		(4,175)
Long-term liabilities are not due any payable in the current period and, therefore, are not reported in the funds.		(835,000)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(603,156)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds.		(674,051)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds.		(5,398,478)
Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds.		411,526
Total Net Position - Governmental Activities	\$	<u>6,755,675</u>

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, 2020

	Special Revenue				Total Governmental Funds
	General	Ambulance Fund	Senior Citizens' Tax	Other Governmental Funds	
Revenues					
Taxes	\$ 7,368,098	\$ 1,224,616	\$ 1,231,034	\$ 541,853	\$ 10,365,601
Licenses and Permits	21,864	--	--	397,602	419,466
Intergovernmental	2,080,849	--	--	1,721,491	3,802,340
Charges for Services	1,184,787	1,915	--	94,685	1,281,387
Operating Grants and Contributions	--	--	--	57,633	57,633
Fines and Forfeits	30,982	--	--	3,500	34,482
Interest and Rents	58,944	9,783	268	11,483	80,478
Other Revenue	673,039	110,885	--	38,673	822,597
Total Revenues	11,418,563	1,347,199	1,231,302	2,866,920	16,863,984
Expenditures					
General Government	5,305,820	--	--	585,642	5,891,462
Public Safety	4,008,357	--	--	696,853	4,705,210
Public Works	382,908	--	--	5,098	388,006
Health and Welfare	88,489	1,175,818	1,231,315	332,290	2,827,912
Community and Economic Development	58,608	--	--	1,012,286	1,070,894
Recreation and Culture	38,047	--	--	--	38,047
Other Expenditures	318,152	--	--	--	318,152
Maintenance	555	--	--	--	555
Debt Service - Principal	--	--	--	260,000	260,000
Debt Service - Interest	--	--	--	33,101	33,101
Capital Outlay	--	--	--	184,753	184,753
Total Expenditures	10,200,936	1,175,818	1,231,315	3,110,023	15,718,092
Excess of Revenues Over (Under) Expenditures	1,217,627	171,381	(13)	(243,103)	1,145,892
Other Financing Sources (Uses)					
Transfers In	69,150	--	--	931,095	1,000,245
Transfers Out	(863,074)	(28,150)	--	(43,427)	(934,651)
Net Other Financing Sources (Uses)	(793,924)	(28,150)	--	887,668	65,594
Net Change in Fund Balance	423,703	143,231	(13)	644,565	1,211,486
<i>Fund Balance at Beginning of Period</i>	4,909,834	655,747	15	1,899,244	7,464,840
Fund Balance at End of Period	\$ 5,333,537	\$ 798,978	\$ 2	\$ 2,543,809	\$ 8,676,326

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, 2020

Total Net Change in Fund Balances - Governmental Funds	\$	1,211,486
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.		1,300
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 \$436,913 exceeds capital outlay of \$175,093.		(261,820)
Repayment of bond principal is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position.		260,000
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.		(80,390)
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.		40,286
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.		144,354
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources		750
Changes in Net Position - Governmental Activities	\$	<u>1,315,966</u>

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

**Oceana County
Statement of Net Position
Proprietary Funds
December 31, 2020**

	Business-type Activities - Enterprise Funds			
	Foreclosure	Delinquent Tax Revolving	Other Enterprise Funds	Total Enterprise Funds
ASSETS				
<i>Current Assets</i>				
Cash and Investments	\$ 2,483,143	\$ 3,996,820	\$ 33,776	\$ 6,513,739
Taxes Receivable	--	1,293,908	--	1,293,908
Due from Other Governments	--	445	--	445
Total Current Assets	2,483,143	5,291,173	33,776	7,808,092
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	179	--	--	179
Total Current Liabilities	179	--	--	179
NET POSITION				
<i>Unrestricted</i>	2,482,964	5,291,173	33,776	7,807,913
Total Net Position	\$ 2,482,964	\$ 5,291,173	\$ 33,776	\$ 7,807,913

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, 2020

	Business-type Activities - Enterprise Funds			
	Foreclosure	Delinquent Tax Revolving	Other Enterprise Funds	Total Enterprise Funds
Operating Revenues				
Interest and Penalties on Delinquent Taxes	\$ --	\$ 555,477	\$ --	\$ 555,477
Charges for Services	327,240	--	70,140	397,380
<i>Total Operating Revenues</i>	327,240	555,477	70,140	952,857
Operating Expenses				
Operations	103,850	5,188	34,443	143,481
<i>Total Operating Expenses</i>	103,850	5,188	34,443	143,481
<i>Operating Income (Loss)</i>	223,390	550,289	35,697	809,376
Non-Operating Revenues (Expenses)				
Interest Income	25,840	38,660	9	64,509
<i>Net Non-Operating Revenues (Expenses)</i>	25,840	38,660	9	64,509
<i>Income Before Contributions and Transfers</i>	249,230	588,949	35,706	873,885
Transfers In	--	--	5,000	5,000
Transfers Out	--	--	(70,594)	(70,594)
<i>Change In Net Position</i>	249,230	588,949	(29,888)	808,291
<i>Net Position at Beginning of Period</i>	2,233,734	4,702,224	63,664	6,999,622
<i>Net Position at End of Period</i>	\$ 2,482,964	\$ 5,291,173	\$ 33,776	\$ 7,807,913

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, 2020**

	Business-type Activities - Enterprise Funds			
	Foreclosure	Delinquent Tax Revolving	Other Enterprise Funds	Total Enterprise Funds
Cash Flows from Operating Activities				
Receipts from Customers	\$ 327,240	\$ 565,436	\$ 70,140	\$ 962,816
Cash Paid to Suppliers	(110,918)	(5,188)	(34,443)	(150,549)
Net Cash Provided by Operating Activities	216,322	560,248	35,697	812,267
Cash Flows from Noncapital and Related Financing Activities				
Transfers, Net	-	-	(65,594)	(65,594)
Net Cash Used by Noncapital and Related Financing Activities	-	-	(65,594)	(65,594)
Cash Flows from Investing Activities				
Interest Income	25,840	38,660	9	64,509
Net Cash Provided by Investing Activities	25,840	38,660	9	64,509
Net Increase in Cash Equivalents	242,162	598,908	(29,888)	811,182
Cash and Investments - Beginning of the Year	2,240,981	3,397,912	63,664	5,702,557
Cash and Investments - End of the Year	\$ 2,483,143	\$ 3,996,820	\$ 33,776	\$ 6,513,739
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	\$ 223,390	\$ 550,289	\$ 35,697	\$ 809,376
Adjustments to Reconcile Operating Income to Net Cash				
Change in Assets and Liabilities:				
Taxes Receivable	-	10,404	-	10,404
Due from Other Governments	-	(445)	-	(445)
Accounts Payable	(7,068)	-	-	(7,068)
Net Cash Provided by Operating Activities	\$ 216,322	\$ 560,248	\$ 35,697	\$ 812,267

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

Oceana County
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	OPEB Trust Fund	Custodial Funds
ASSETS		
Cash and investments	\$ 705,440	\$ 563,922
<i>Total Assets</i>	705,440	563,922
LIABILITIES		
Due to other governments	--	203,952
Undistributed collections	--	15,928
Bonds and other payables	--	194,311
<i>Total Liabilities</i>	--	414,191
NET POSITION		
Restricted for individuals, organizations, and other governments	\$ 705,440	\$ 149,731

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

Oceana County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2020

	<u>OPEB Trust Fund</u>	<u>Custodial Funds</u>
Additions		
Taxes collected for other governments	\$ --	\$ 7,348,570
Library penal fine collections	--	107,967
Inmate trust collections	--	325,164
Court collections	--	357,352
County clerk/register of deeds collections	--	1,474,651
Treasurer collections	--	14,664
Employer contributions	43,401	--
Interest, dividends, and other investment gains	83,486	--
<i>Total Additions</i>	<u>126,887</u>	<u>9,628,368</u>
Deductions		
Payments of property taxes to other governments	--	7,348,570
Library penal fine distributions	--	146,520
Inmate trust distributions	--	320,788
Court distributions	--	357,352
County clerk/register of deeds distributions	--	1,474,651
Treasurer distributions	--	14,664
Retirement benefits	20,945	--
Administration expense	1,101	--
<i>Total Deductions</i>	<u>22,046</u>	<u>9,662,545</u>
<i>Change in Net Position</i>	<u>104,841</u>	<u>(34,177)</u>
<i>Net Position at Beginning of Period (Restated, Note 14)</i>	<u>600,599</u>	<u>183,908</u>
<i>Net Position at End of Period</i>	<u>\$ 705,440</u>	<u>\$ 149,731</u>

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

**Oceana County
Statement of Net Position
Component Units
December 31, 2020**

	<u>Road Commission</u>	<u>Land Bank</u>	<u>Drainage Districts</u>	<u>Medical Care Facility</u>	<u>Total Nonmajor Component Units</u>
ASSETS					
<i>Current Assets</i>					
Cash and Investments	\$ 1,070,905	\$ 16,664	\$ 443,295	\$ 5,885,301	\$ 7,416,165
Taxes Receivable	--	--	--	2,326,180	2,326,180
Accounts Receivable	--	--	--	1,581,494	1,581,494
Special Assessments Receivable	--	--	187,929	--	187,929
Due from Other Governments	1,248,770	--	--	--	1,248,770
Prepays	--	--	--	83,005	83,005
Inventory	267,431	10,161	--	119,074	396,666
Total Current Assets	2,587,106	26,825	631,224	9,995,054	13,240,209
<i>Noncurrent Assets</i>					
Restricted Investments	--	--	--	405,292	405,292
Capital Asset not Being Depreciated	62,094	--	--	159,821	221,915
Capital Assets Being Depreciated	26,420,015	--	2,185,868	14,849,407	43,455,290
Total Assets	29,069,215	26,825	2,817,092	25,409,574	57,322,706
DEFERRED OUTFLOWS OF RESOURCES					
Pension	--	--	--	984,658	984,658
Total Deferred Outflows of Resources	--	--	--	984,658	984,658
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	180,771	--	--	501,561	682,332
Accrued Wages	--	--	--	153,928	153,928
Accrued Interest	--	--	564	--	564
Current Portion of Long-term Debt	427,320	--	10,578	--	437,898
Other Liabilities	422,465	--	--	364,140	786,605
Current Portion of Compensated Absences	122,151	--	1,093	476,570	599,814
Total Current Liabilities	1,152,707	--	12,235	1,496,199	2,661,141
<i>Noncurrent Liabilities</i>					
Advances from Other Governmental Units	--	--	72,808	--	72,808
Residents' Trust Payable	--	--	--	2,492	2,492
Compensated Absences	--	--	3,279	--	3,279
Long-term Debt	796,873	--	21,154	--	818,027
Net OPEB Liability	177,591	--	--	--	177,591
Net Pension Liability	--	--	--	4,454,980	4,454,980
Total Liabilities	2,127,171	--	109,476	5,953,671	8,190,318
DEFERRED INFLOWS OF RESOURCES					
Pension	--	--	--	66,039	66,039
OPEB	192,851	--	--	--	192,851
Taxes Levied for a Subsequent Period	--	--	--	2,549,753	2,549,753
Total Deferred Inflows of Resources	192,851	--	--	2,615,792	2,808,643
NET POSITION					
Net Investment in Capital Assets	25,257,916	--	2,154,136	15,009,228	42,421,280
<i>Public Works</i>	--	--	553,480	--	553,480
Other Purposes	--	26,825	--	405,292	432,117
<i>Unrestricted</i>	1,491,277	--	--	2,410,249	3,901,526
Total Net Position	\$ 26,749,193	\$ 26,825	\$ 2,707,616	\$ 17,824,769	\$ 47,308,403

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, 2020**

	<u>Road Commission</u>	<u>Land Bank</u>	<u>Drainage Districts</u>	<u>Medical Care Facility</u>	<u>Total Nonmajor Component Units</u>
Expenses					
General Government	\$ --	\$ 649	\$ --	\$ --	\$ 649
Public Works	9,385,465	--	191,576	--	9,577,041
Health and Welfare	--	--	--	20,904,905	20,904,905
Interest on Long-term Debt	--	--	1,791	--	1,791
Total Expenses	<u>9,385,465</u>	<u>649</u>	<u>193,367</u>	<u>20,904,905</u>	<u>30,484,386</u>
Program Revenues					
Charges for Services	2,158,961	930	28,915	15,540,039	17,728,845
Operating Grants and Contributions	6,613,453	--	--	1,586,337	8,199,790
Capital Grants and Contributions	3,510,134	--	--	--	3,510,134
Total Program Revenues	<u>12,282,548</u>	<u>930</u>	<u>28,915</u>	<u>17,126,376</u>	<u>29,438,769</u>
Net Program Revenues (Expenses)	<u>2,897,083</u>	<u>281</u>	<u>(164,452)</u>	<u>(3,778,529)</u>	<u>(1,045,617)</u>
General Revenue					
Taxes	--	2,125	--	3,058,885	3,061,010
Interest Income	5,809	--	2,027	52,396	60,232
Total General Revenues	<u>5,809</u>	<u>2,125</u>	<u>2,027</u>	<u>3,111,281</u>	<u>3,121,242</u>
Change in Net Position	2,902,892	2,406	(162,425)	(667,248)	2,075,625
<i>Net Position at Beginning of Period</i>	23,846,301	24,419	2,870,041	18,492,017	45,232,778
Net Position at End of Period	<u>\$ 26,749,193</u>	<u>\$ 26,825</u>	<u>\$ 2,707,616</u>	<u>\$ 17,824,769</u>	<u>\$ 47,308,403</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

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

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 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 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, 2020 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

Oceana County

Notes to the Financial Statements

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, 2020, the County passed through \$42,258. 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, 2020. 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, 2020.

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.

Oceana County

Notes to the Financial Statements

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 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

Oceana County

Notes to the Financial Statements

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.

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

Oceana County

Notes to the Financial Statements

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.

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

Oceana County

Notes to the Financial Statements

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 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

Oceana County

Notes to the Financial Statements

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, 2020, 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 located in the County as of the preceding December 31.

The County's summer 2020 ad valorem taxes were levied and collectible on July 1, 2020. 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 2020 tax levy has been recognized as revenue in the current fiscal year. The 2020 adjusted taxable value of the County amounted to approximately \$1,274,876,584 on which ad valorem taxes levied for County general operating purposes consisted of 5.7344 mills. The Council on Aging

Oceana County

Notes to the Financial Statements

levied 0.9973 mills, the ambulance fund levied 1.0000 mills, the soldiers' and sailors' relief fund levied 0.1000 mills, and the 9-1-1 fund levied 0.1394 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, 2020. 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 *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).

Oceana County

Notes to the Financial Statements

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.
- 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

Oceana County

Notes to the Financial Statements

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.

The County had no expenditures in excess of the amounts appropriated during the year ended December 31, 2020.

Net Position Deficit

The County reported a deficit in net position for governmental activities in the amount of \$(911,275) for the year ended December 31, 2020.

Oceana County

Notes to the Financial Statements

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 units of government in Michigan.

Oceana County

Notes to the Financial Statements

Following is a reconciliation of deposit and investment balances as of December 31, 2020:

	Primary Government	Component Units	Total
Statement of Net Position			
Cash and Investments	\$ 15,063,190	\$ 7,416,165	\$ 22,479,355
Restricted Investments	-	405,292	405,292
Statement of Fiduciary Net Position			
Cash and Investments - Custodial funds	563,922	-	563,922
Cash and Investments - OPEB Trust	705,440	-	705,440
Total Deposits and Investments	\$ 16,332,552	\$ 7,821,457	\$ 24,154,009
<i>Less Units Separately Audited</i>			
Oceana County Medical Care Facility	-	(6,290,593)	(6,290,593)
Road Commission	-	(1,070,905)	(1,070,905)
Deposits and Investments Managed by the County	\$ 16,332,552	\$ 459,959	\$ 16,792,511
	Cash on Hand		\$ 3,898
	Checking and Savings Accounts		14,289,335
	Pooled Investments		262,445
	Brokerage Accounts		1,531,393
	Other Investments		705,440
	Total Deposits and Investments		\$ 16,792,511

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, \$19,510,065 of the County's bank balance of \$20,010,065 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, 2020, the County had the following investments that were subject to rating by a NRSRO:

<u>Rating (S&P)</u>	<u>Brokerage Accounts</u>	<u>Pooled Investments</u>	<u>MERS Retiree Health Funding Vehicle</u>
A1+	\$ 1,531,393	\$ -	\$ -
AAAm	-	262,445	-
Unavailable	-	-	705,440
Total	\$ 1,531,393	\$ 262,445	\$ 705,440

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:

<u>Maturity</u>	<u>Brokerage Accounts</u>	<u>Pooled Investments</u>	<u>MERS Retiree Health Funding Vehicle</u>
No maturity	\$ -	\$ 262,445	\$ 705,440
Less than 1 year	1,531,393	-	-
Total	\$ 1,531,393	\$ 262,445	\$ 705,440

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

Oceana County

Notes to the Financial Statements

unobservable inputs.

The County has the following recurring fair value measurements as of December 31, 2020:

- Investments held with Michigan CLASS totaled \$262,445. 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.
- OPEB trust investments held with MERS totaled \$705,440 and were valued using level 2 inputs.
- Investments held within brokerage accounts totaled \$1,531,393 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, 2020 in the amount of \$72,808. 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:

Transfer In	Transfer Out	Amount
General fund	Nonmajor governmental funds	\$ 43,427
Parks and Recreation fund	General fund	24,052
General fund	Nonmajor enterprise funds	1,671
Nonmajor enterprise funds	General fund	5,000
Nonmajor governmental funds	Nonmajor enterprise funds	68,923
Nonmajor governmental funds	General Fund	829,074
Nonmajor governmental funds	Ambulance Fund	28,150
Nonmajor governmental funds	General Fund	4,948

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

Oceana County

Notes to the Financial Statements

programs accounted for in other funds in accordance with budgetary authorizations.

Note 6 - Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated				
Land	\$ 1,730,509	\$ -	\$ -	\$ 1,730,509
Capital assets being depreciated				
Buildings and improvements	4,706,678	-	(277,043)	4,429,635
Land improvements	1,387,225	-	-	1,387,225
Equipment and furniture	2,651,828	73,195	(1,357)	2,723,666
Vehicles	1,448,018	101,898	(22,658)	1,527,258
Infrastructure	229,650	-	-	229,650
<i>Subtotal</i>	<u>10,423,399</u>	<u>175,093</u>	<u>(301,058)</u>	<u>10,297,434</u>
Less accumulated depreciation for				
Buildings and improvements	2,408,526	149,634	(277,043)	2,281,117
Land improvements	746,280	94,850	-	841,130
Equipment and furniture	2,354,828	65,253	(1,357)	2,418,724
Vehicles	1,063,107	122,583	(22,658)	1,163,032
Infrastructure	136,664	4,593	-	141,257
<i>Subtotal</i>	<u>6,709,405</u>	<u>436,913</u>	<u>(301,058)</u>	<u>6,845,260</u>
Capital assets being depreciated, net	<u>3,713,994</u>	<u>(261,820)</u>	<u>-</u>	<u>3,452,174</u>
Capital assets, net	<u>\$ 5,444,503</u>	<u>\$ (261,820)</u>	<u>\$ -</u>	<u>\$ 5,182,683</u>

Depreciation expense was charged to the following governmental activities:

General government	\$ 127,555
Public safety	162,891
Public works	97,372
Health and welfare	38,228
Recreation and culture	10,867
<i>Total depreciation expense</i>	<u>\$ 436,913</u>

Oceana County

Notes to the Financial Statements

Capital asset activity for the drainage districts for 2020 was as follows:

<u>Drainage Districts</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Infrastructure - drains	\$ 4,262,926	\$ -	\$ -	\$ 4,262,926
Less accumulated depreciation for:				
Infrastructure - drains	1,970,485	106,573	-	2,077,058
Capital assets being depreciated, net	2,292,441	(106,573)	-	2,185,868
Capital assets, net	<u>\$ 2,292,441</u>	<u>\$ (106,573)</u>	<u>\$ -</u>	<u>\$ 2,185,868</u>

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, 2020:

<u>Primary government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Capital improvement refunding bonds					
- series 2012B	\$ 1,095,000	\$ -	\$ (260,000)	\$ 835,000	\$ 270,000
Compensated absences	643,442	-	(40,286)	603,156	150,789
Total governmental activities	<u>\$ 1,738,442</u>	<u>\$ -</u>	<u>\$ (300,286)</u>	<u>\$ 1,438,156</u>	<u>\$ 420,789</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.

\$ 835,000

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>
2021	\$ 270,000	\$ 25,050	\$ 295,050
2022	275,000	16,950	291,950
2023	290,000	8,700	298,700
Totals	<u>\$ 835,000</u>	<u>\$ 50,700</u>	<u>\$ 885,700</u>

Oceana County

Notes to the Financial Statements

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 \$603,156 for vacation and sick at December 31, 2020. Of this liability, \$150,789 has been recorded as a current liability and \$452,367 has been recorded as a noncurrent liability.

The following is a summary of changes in long-term obligations (including current portion) of the drainage districts for the year ended December 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component Units - Drainage Districts					
Ag-Ren note	\$ 42,310	\$ -	\$ 10,578	\$ 31,732	\$ 10,578
Compensated absences	4,162	210	-	4,372	1,093
<i>Total component units</i>	\$ 46,472	\$ 210	\$ 10,578	\$ 36,104	\$ 11,671

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, 2020, 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%.

\$ 31,732

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

	Component Unit - Drainage Districts		
	Principal	Interest	Total
2021	\$ 10,578	\$ 1,046	\$ 11,624
2022	10,578	697	11,275
2023	10,576	349	10,925
<i>Totals</i>	\$ 31,732	\$ 2,092	\$ 33,824

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Notes to the Financial Statements

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 \$4,372 for vacation and sick time at December 31, 2020. Of this liability, \$1,093 has been recorded as a current liability and \$3,279 has been recorded 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 \$107,082 by the County and \$105,619 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.

Oceana County

Notes to the Financial Statements

Benefits Provided

Retirement benefits for employees are calculated as follows:

Division	Benefit Multiplier	Benefit Maximum	Final Average Compensation (Years)	Normal Retirement Age	Unreduced Benefit (Age/Years of Service)	Reduced Benefit (Age/Years of Service)	Vesting (Years)
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

Employees Covered by Benefit Terms

At the December 31, 2019 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	87
Inactive plan members entitled to but not yet receiving benefits	27
Active plan members	48
<i>Total employees covered by MERS</i>	<u>162</u>

Contributions

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

Employer contributions during 2020 were as follows:

Division	Employee Contributions	Monthly Employer Contributions
01 - General - Closed	5.00%	\$ 32,638
02 - Sheriff - Closed	5.00%	37,072
11 - Building Dept. - Closed	5.00%	2,054

Net Pension Liability

The County's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Oceana County

Notes to the Financial Statements

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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 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	60.00%	7.75%	4.65%	2.50%	3.15%
Global fixed income	20.00%	3.75%	0.75%	2.50%	0.25%
Private Investments	20.00%	9.75%	1.95%	2.50%	1.45%
	<u>100.00%</u>		<u>7.35%</u>		<u>4.85%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. 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,

Oceana County

Notes to the Financial Statements

the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

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

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at December 31, 2018	\$ 23,968,489	\$ 16,179,553	\$ 7,788,936
Service cost	261,904	-	261,904
Interest	1,864,901	-	1,864,901
Difference between expected and actual experience	(38,059)	-	(38,059)
Changes in assumptions	729,198	-	729,198
Contributions - Employer	-	1,104,508	(1,104,508)
Contributions - Employee	-	129,905	(129,905)
Net investment loss	-	2,185,366	(2,185,366)
Benefit payments, including refunds	(1,561,481)	(1,561,481)	-
Administrative expenses	(14,888)	(52,476)	37,588
<i>Net changes</i>	<u>1,241,575</u>	<u>1,805,822</u>	<u>(564,247)</u>
Balance at December 31, 2019	<u>\$ 25,210,064</u>	<u>\$ 17,985,375</u>	<u>\$ 7,224,689</u>

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

The following presents the net pension liability of the County, calculated using the discount rate of 7.60%, 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 (6.60%) or one percentage point higher (8.60%) than the current rate:

	<u>1% Decrease (6.60%)</u>	<u>Current Rate (7.60%)</u>	<u>1% Increase (8.60%)</u>
Net pension liability of the County	<u>\$ 9,947,511</u>	<u>\$ 7,224,689</u>	<u>\$ 4,905,812</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, 2020, the County recognized pension expense of \$1,227,263.

Oceana County

Notes to the Financial Statements

At December 31, 2020, 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	\$ 55,140	\$ -
Differences in experience	53,884	19,030
Change in actuarial assumptions	364,599	-
Employer contributions to the plan subsequent to the measurement date *	1,371,618	-
Total	\$ 1,845,241	\$ 19,030

* 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, 2021.

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

Years Ended December 31	Amount
2021	\$ 359,102
2022	57,231
2023	219,498
2024	(181,238)

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 towards 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, 2020), the plan is closed:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	80
<i>Total employees covered by the Plan</i>	<u>88</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, 2020 and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	0.00%
Investment rate of return	7.35%
20-year Aa Municipal bond rate	1.93%
Mortality	2010 Public General Employees and Healthy Retirees, Headcount weighted
Improvement scale	MP-2020

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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, 2020 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	60.0%	5.25%
Global Fixed Income	20.0%	1.25%
Private Assets	20.0%	7.25%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.84%. 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 2040 – 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, 2020 the discount rate used to value OPEB liabilities was 3.68%.

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Notes to the Financial Statements

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

Changes in OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at December 31, 2019	\$ 1,436,822	\$ 600,599	\$ 836,223
Service cost	64,356	-	64,356
Interest	54,858	-	54,858
Differences between expected and actual experience	(3,146)	-	(3,146)
Changes in assumptions	254,909	-	254,909
Contributions/benefit paid from general operating funds	-	43,401	(43,401)
Net investment income	-	83,486	(83,486)
Benefit payments, including refunds	(20,945)	(20,945)	-
Administrative expenses	-	(1,101)	1,101
<i>Net changes</i>	<u>350,032</u>	<u>104,841</u>	<u>245,191</u>
Balance at December 31, 2020	<u>\$ 1,786,854</u>	<u>\$ 705,440</u>	<u>\$ 1,081,414</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 current discount rate, 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:

	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$ 1,950,920	\$ 1,786,854	\$ 1,635,338
Plan Fiduciary Net Position	<u>705,440</u>	<u>705,440</u>	<u>705,440</u>
Net OPEB liability of the County	<u>\$ 1,245,480</u>	<u>\$ 1,081,414</u>	<u>\$ 929,898</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, 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:

	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$ 1,636,665	\$ 1,786,854	\$ 1,960,067
Plan Fiduciary Net Position	<u>705,440</u>	<u>705,440</u>	<u>705,440</u>
Net OPEB liability of the County	<u>\$ 931,225</u>	<u>\$ 1,081,414</u>	<u>\$ 1,254,627</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, 2020 the employer recognized OPEB expense of \$123,791. The employer reported inflows of resources related to OPEB in the current year from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ 125,711
Change in actuarial assumptions	563,657	-
Net difference between projected and actual earnings on OPEB plan investments	-	30,583
Total	563,657	156,294

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

Years Ended December 31	Amount
2021	\$ 48,407
2022	53,898
2023	41,853
2024	47,963
2025	55,676
Thereafter	159,566

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

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

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.

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

Fund Balances	General Fund	Ambulance	Senior Citizen's Tax	Nonmajor Funds	Total
Nonspendable					
Prepays	\$ 77,057	\$ -	\$ -	\$ 20,726	\$ 97,783
Advances to Other Governmental Units	72,808	-	-	-	72,808
<i>Subtotal</i>	149,865	-	-	20,726	170,591
Restricted					
Parks and Recreation - Recreation and Culture	63,323	-	-	-	63,323
Ambulance - Health and Welfare	-	798,978	-	-	798,978
Friend of the Court Activities - General Government	-	-	-	378,512	378,512
Public Improvement - Capital Outlay	-	-	-	628,966	628,966
Building Department Activities - Public Safety	-	-	-	221,207	221,207
Animal Control Activities - Public Safety	-	-	-	957	957
Animal Care Activities - Public Safety	-	-	-	21,067	21,067
Register of Deeds Activities - General Government	-	-	-	73,773	73,773
Local Correction Officer Training - Public Safety	-	-	-	25,994	25,994
Drug Law Enforcement - Public Safety	-	-	-	273	273
Law Library Activities - General Government	-	-	-	21,242	21,242
Child Care - Health and Welfare	-	-	-	196,484	196,484
Senior Citizens' Tax - Health and Welfare	-	-	2	-	2
Soldiers' and Sailors' Relief - Health and Welfare	-	-	-	155,968	155,968
CDBG Housing - Comm. and Econ. Dev.	-	-	-	130,784	130,784
Criminal Justice Training - Public Safety	-	-	-	15,552	15,552
Emergency Mgmt. Reserves Corp - Public Safety	-	-	-	1,011	1,011
GIS Activities - General Government	-	-	-	13,418	13,418
Concealed Pistol - Public Safety	-	-	-	84,880	84,880
WM Field Rail Trail - Recreation and Culture	-	-	-	9,220	9,220
Mason/Oceana 911 - Public Safety	-	-	-	21	21
K9 Unit - Public Safety	-	-	-	9,500	9,500
Technology and Innovation - General Government	-	-	-	10,418	10,418
Court Improvement and Services - General Government	-	-	-	13,619	13,619
Indigent Defense Fund - General Government	-	-	-	229,510	229,510
Victims Services - Public Safety	-	-	-	5,412	5,412
Medical Care Facility Building Fund - Health and Welfare	-	-	-	185,039	185,039
Medical Care Endowment - Health and Welfare	-	-	-	318	318
Airport Terminal - Debt Service	-	-	-	109	109
Ambulance Debt Retirement - Debt Service	-	-	-	2,985	2,985
<i>Subtotal</i>	63,323	798,978	2	2,436,239	3,298,542
Committed					
Equipment Replacement - Capital Outlay	-	-	-	86,844	86,844
Unfunded Pension and OPEB Liability	800,000	-	-	-	800,000
<i>Subtotal</i>	800,000	-	-	86,844	886,844
Unassigned					
	4,320,349	-	-	-	4,320,349
Total fund balances	\$ 5,333,537	\$ 798,978	\$ 2	\$ 2,543,809	\$ 8,676,326

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, 2020:

PRIMARY GOVERNMENT

General Government	\$ 756,168
Public Safety	390,202
Health and Welfare	1,337,511
Community and Economic Development	130,784
Recreation and Culture	72,543
Debt Service	3,094
Capital Projects	628,966
<i>Total Restricted</i>	<u>\$ 3,319,268</u>

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, 2020, the County's property taxes were reduced by \$0 under this program.

Note 14 - Change in Accounting Principle

The County adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, in the current year. As a result of this change, beginning net position of the custodial funds was increased by \$183,908 and beginning net position of the OPEB Trust fund was increased by \$600,599.

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 and the Board of Commissioners are in the process of determining the significance of the financial impact on the County's financial statements as the amounts and timing of future COVID-related revenues and expenditures remain highly uncertain.

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, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Taxes	\$ 7,147,911	\$ 7,169,017	\$ 7,368,098	\$ 199,081
Licenses and Permits	29,170	29,170	21,864	(7,306)
Intergovernmental	1,638,539	2,007,316	2,080,849	73,533
Charges for Services	1,053,425	1,254,017	1,184,787	(69,230)
Fines and Forfeits	22,400	33,840	30,982	(2,858)
Interest and Rents	71,590	72,216	58,944	(13,272)
Other Revenue	371,971	484,443	673,039	188,596
Total Revenues	10,335,006	11,050,019	11,418,563	368,544
Other Financing Sources				
Transfers In	60,665	69,200	69,150	(50)
Total Revenues and Other Financing Sources	10,395,671	11,119,219	11,487,713	368,494
Expenditures				
General Government				
Board of Commissioners	237,739	245,768	234,229	11,539
Circuit Court	505,023	507,258	426,225	81,033
District Court	378,258	384,531	302,129	82,402
Friend of the Court	418,088	422,315	376,335	45,980
Probate Court	289,460	297,120	290,349	6,771
County Administrator	241,059	241,777	233,589	8,188
County Auditing	22,400	22,400	22,300	100
Elections	88,250	88,500	53,792	34,708
Clerk	273,205	274,401	257,557	16,844
Jury Board	1,238	1,310	1,279	31
Equalization	253,104	255,669	228,727	26,942
Prosecuting Attorney	391,347	398,303	375,938	22,365
Data Processing	152,389	168,018	160,801	7,217
Cooperative Extension	146,984	146,984	140,637	6,347
Register of Deeds	190,522	190,522	186,280	4,242
County Survey and Remonumentation	43,523	43,523	43,523	--
Treasurer	248,134	254,736	238,939	15,797
Building & Grounds	281,151	283,860	221,931	61,929
Drain Commissioner	160,269	164,788	158,908	5,880
General Services	848,558	1,364,336	1,285,274	79,062
Total General Government	\$ 5,170,701	\$ 5,756,119	\$ 5,238,742	\$ 517,377

Continued...

Oceana County
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable) Final to Actual
Expenditures				
Public Safety				
Sheriff	\$ 2,399,557	\$ 2,465,822	\$ 2,382,750	\$ 83,072
Marine Safety	113,094	120,265	115,874	4,391
Snowmobile Enforcement	32,505	35,183	25,607	9,576
Road Patrol	91,102	93,901	79,379	14,522
Jail	1,190,994	1,216,004	1,117,030	98,974
Emergency Management	116,149	144,247	128,393	15,854
Animal Control	172,342	176,289	160,245	16,044
Total Public Safety	<u>4,115,743</u>	<u>4,251,711</u>	<u>4,009,278</u>	<u>242,433</u>
Public Works				
Drains	11,600	11,600	10,396	1,204
Recycling	278,812	292,260	282,434	9,826
Airport	99,422	103,004	89,767	13,237
Total Public Works	<u>389,834</u>	<u>406,864</u>	<u>382,597</u>	<u>24,267</u>
Health and Welfare				
Medical Examiner	87,992	187,422	156,433	30,989
Community and Economic Development				
Planning Commission	61,500	61,500	58,608	2,892
Recreation and Culture				
Parks and Recreation	38,220	38,961	38,047	914
Other				
Insurance	303,500	318,827	314,771	4,056
Other	2,500	2,500	2,460	40
Total Other	<u>306,000</u>	<u>321,327</u>	<u>317,231</u>	<u>4,096</u>
Total Expenditures	<u>10,169,990</u>	<u>11,023,904</u>	<u>10,200,936</u>	<u>822,968</u>
Other Financing Uses				
Transfers Out	552,879	900,137	863,074	37,063
Total Expenditures and Other Financing Uses	<u>10,722,869</u>	<u>11,924,041</u>	<u>11,064,010</u>	<u>860,031</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses				
	<u>(327,198)</u>	<u>(804,822)</u>	<u>423,703</u>	<u>1,228,525</u>
Net Change in Fund Balance	(327,198)	(804,822)	423,703	1,228,525
<i>Fund Balance at Beginning of Period</i>	4,909,834	4,909,834	4,909,834	--
Fund Balance at End of Period	<u>\$ 4,582,636</u>	<u>\$ 4,105,012</u>	<u>\$ 5,333,537</u>	<u>\$ 1,228,525</u>

Concluded.

Oceana County
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Ambulance Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable) Final to Actual
Revenues				
Taxes	\$ 1,227,339	\$ 1,324,089	\$ 1,224,616	\$ (99,473)
Charges for Services	--	2,000	1,915	(85)
Interest and Rents	25,600	25,600	9,783	(15,817)
Other Revenue	107,350	111,472	110,885	(587)
Total Revenues	<u>1,360,289</u>	<u>1,463,161</u>	<u>1,347,199</u>	<u>(115,962)</u>
Expenditures				
Health and Welfare	1,185,425	1,200,770	1,175,818	24,952
Total Expenditures	<u>1,185,425</u>	<u>1,200,770</u>	<u>1,175,818</u>	<u>24,952</u>
Other Financing Uses				
Transfers Out	28,150	28,150	28,150	--
Total Expenditures and Other Financing Uses	<u>1,213,575</u>	<u>1,228,920</u>	<u>1,203,968</u>	<u>24,952</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>146,714</u>	<u>234,241</u>	<u>143,231</u>	<u>(91,010)</u>
Net Change in Fund Balance	146,714	234,241	143,231	(91,010)
Fund Balance at Beginning of Period	655,747	655,747	655,747	--
Fund Balance at End of Period	<u>\$ 802,461</u>	<u>\$ 889,988</u>	<u>\$ 798,978</u>	<u>\$ (91,010)</u>

Oceana County
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Senior Citizens' Tax
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable) Final to Actual
Revenues				
Taxes	\$ 1,234,946	\$ 1,332,104	\$ 1,231,034	\$ (101,070)
Interest and Rents	400	400	268	(132)
<i>Total Revenues</i>	<u>1,235,346</u>	<u>1,332,504</u>	<u>1,231,302</u>	<u>(101,202)</u>
Expenditures				
Health and Welfare	1,235,346	1,235,346	1,231,315	4,031
<i>Total Expenditures</i>	<u>1,235,346</u>	<u>1,235,346</u>	<u>1,231,315</u>	<u>4,031</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	<u>--</u>	<u>97,158</u>	<u>(13)</u>	<u>(97,171)</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>97,158</u>	<u>(13)</u>	<u>(97,171)</u>
<i>Fund Balance at Beginning of Period</i>	<u>15</u>	<u>15</u>	<u>15</u>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u>\$ 15</u>	<u>\$ 97,173</u>	<u>\$ 2</u>	<u>\$ (97,171)</u>

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

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 261,904	\$ 272,261	\$ 355,053	\$ 350,067	\$ 380,952	\$ 378,169
Interest	1,864,901	1,876,290	1,801,887	1,731,236	1,587,562	1,569,807
Differences Between Expected and Actual Experience	(38,059)	(778,021)	215,533	95,915	10,366	-
Changes in Assumptions	729,198	-	-	-	990,477	-
Benefit Payments, Including Refunds	(1,576,369)	(1,439,082)	(1,362,956)	(1,230,215)	(1,184,993)	(1,080,593)
Other Changes	-	-	-	-	49,610	-
Net Change in Pension Liability	<u>1,241,575</u>	<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>	23,968,489	24,037,041	23,027,524	22,080,521	20,246,547	19,379,164
Total Pension Liability - Ending (a)	<u>\$ 25,210,064</u>	<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>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,104,508	\$ 1,290,637	\$ 722,778	\$ 637,568	\$ 602,676	\$ 527,348
Contributions - Member	129,905	161,417	168,039	180,419	184,915	201,226
Net Investment Income (Loss)	2,185,366	(656,052)	2,018,442	1,604,580	(219,435)	899,130
Benefit Payments, Including Refunds	(1,576,369)	(1,439,082)	(1,362,956)	(1,230,215)	(1,184,993)	(1,080,593)
Administrative Expenses	(37,588)	(32,513)	(31,967)	(31,697)	(32,313)	(33,011)
Net Change in Plan Fiduciary Net Position	<u>1,805,822</u>	<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>	16,179,553	16,855,146	15,340,810	14,180,155	14,829,305	14,315,205
Plan Fiduciary Net Position - Ending (b)	<u>\$ 17,985,375</u>	<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>
Net Pension Liability - Ending (a) - (b)	\$ 7,224,689	\$ 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	71.3%	67.5%	70.1%	66.6%	64.2%	73.2%
Covered Payroll	\$ 2,521,630	\$ 2,620,903	\$ 3,362,605	\$ 3,320,656	\$ 3,623,872	\$ 3,600,041
Net Pension Liability as a Percentage of Covered Payroll	286.5%	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 Six Calendar Years

	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	871,618	854,508	790,637	722,778	\$ 637,568	\$ 602,676
Contributions in Relation to the Actuarially Determined Contribution	1,371,618	1,104,508	1,290,637	722,778	637,568	602,676
Contribution Deficiency (Excess)	<u>\$ (500,000)</u>	<u>\$ (250,000)</u>	<u>\$ (500,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered Payroll	 2,506,996	 2,521,630	 2,620,903	 3,362,605	 3,320,656	 3,623,872
Contributions as a Percentage of Covered Payroll	54.7%	43.8%	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 contributions are required.

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	3.00% in the long-term
Investment rate of return	7.35%, 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 50% Female blend.

* Built prospectively upon implementation on GASB 68

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

	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	\$ 64,356	\$ 53,057	\$ 38,237	\$ 38,442
Interest	54,858	60,746	73,033	65,826
Changes in Benefit Terms	-	-	13,859	-
Differences Between Expected and Actual Experience	(3,146)	(8,573)	(164,836)	-
Changes in Assumptions	254,909	107,631	356,063	-
Benefit Payments, Including Refunds	(20,945)	(19,950)	(15,950)	(25,696)
Net Change in total OPEB Liability	<u>350,032</u>	<u>192,911</u>	<u>300,406</u>	<u>78,572</u>
<i>Total OPEB Liability - Beginning</i>	<u>1,436,822</u>	<u>1,243,911</u>	<u>943,505</u>	<u>864,933</u>
Total OPEB Liability - Ending (a)	<u>\$ 1,786,854</u>	<u>\$ 1,436,822</u>	<u>\$ 1,243,911</u>	<u>\$ 943,505</u>
Plan Fiduciary Net Position				
Contributions to OPEB Trust	\$ 22,456	\$ -	\$ 29,477	\$ 31,701
Contributions/benefit payments made from general operating funds	20,945	19,950	15,950	25,696
Net Investment Income (Loss)	83,486	71,589	(20,528)	58,022
Benefit Payments, Including Refunds	(20,945)	(19,950)	(15,950)	(25,696)
Administrative Expenses	(1,101)	(1,020)	(1,293)	(1,119)
Net Change in Plan Fiduciary Net Position	<u>104,841</u>	<u>70,569</u>	<u>7,656</u>	<u>88,604</u>
<i>Plan Fiduciary Net Position - Beginning</i>	<u>600,599</u>	<u>530,030</u>	<u>522,374</u>	<u>433,770</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 705,440</u>	<u>\$ 600,599</u>	<u>\$ 530,030</u>	<u>\$ 522,374</u>
Net OPEB Liability - Ending (a) - (b)	\$ 1,081,414	\$ 836,223	\$ 713,881	\$ 421,131
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	39.5%	41.8%	42.6%	55.4%
Covered Employee Payroll	\$ 4,274,695	\$ 4,297,851	\$ 5,856,373	\$ 3,429,857
Net OPEB Liability as a Percentage of Covered Employee Payroll	25.3%	19.5%	12.2%	12.3%

* Built prospectively upon implementation of GASB 75

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

	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 125,230	\$ 117,196	\$ 73,997	\$ 133,100
Contributions in Relation to the Actuarially Determined Contribution	43,401	19,950	45,427	57,397
Contribution Deficiency (Excess)	<u>\$ 81,829</u>	<u>\$ 97,246</u>	<u>\$ 28,570</u>	<u>\$ 75,703</u>
Covered Employee Payroll	4,274,695	4,297,851	5,856,373	3,429,857
Contributions as a Percentage of Covered Employee Payroll	1.0%	0.5%	0.8%	1.7%

Notes

Valuation Date: December 31, 2020

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	Level percentage of compensation
Remaining amortization period	15 years
Asset valuation method	Market value
Inflation	Included in investment return
Salary increases	0.00%
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, 2020**

	General Fund	Parks and Recreation	FOC Child Support	Fiduciary Escrow Trust	Payroll Clearing Account	Parks and Recreation Matching Grant	Parks and Recreation Capital Projects	Total General Funds
ASSETS								
Cash and Investments	\$ 4,751,175	\$ 44,419	\$ 314	\$ 2	\$ 20,655	\$ 10,154	\$ 8,924	\$ 4,835,643
Taxes Receivable	638,657	--	--	--	--	--	--	638,657
Accounts Receivable	37,723	--	--	--	--	--	--	37,723
Due from Other Governments	275,878	--	--	--	--	--	--	275,878
Prepays	76,825	232	--	--	--	--	--	77,057
Advances to Other Governmental Units	72,808	--	--	--	--	--	--	72,808
<i>Total Assets</i>	\$ 5,853,066	\$ 44,651	\$ 314	\$ 2	\$ 20,655	\$ 10,154	\$ 8,924	\$ 5,937,766
LIABILITIES								
Accounts Payable	\$ 111,938	\$ 40	\$ --	\$ --	\$ --	\$ --	\$ 134	\$ 112,112
Accrued Wages	59,620	--	--	--	--	--	--	59,620
Assets Held on Behalf of Others	--	--	314	2	20,655	--	--	20,971
<i>Total Liabilities</i>	171,558	40	314	2	20,655	--	134	192,703
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenues	411,526	--	--	--	--	--	--	411,526
<i>Total Liabilities and Deferred Inflows of Resources</i>	583,084	40	314	2	20,655	--	134	604,229
FUND BALANCE								
Nonspendable	149,633	232	--	--	--	--	--	149,865
Restricted	--	44,379	--	--	--	10,154	8,790	63,323
Committed	800,000	--	--	--	--	--	--	800,000
Unassigned	4,320,349	--	--	--	--	--	--	4,320,349
<i>Total Fund Balance</i>	5,269,982	44,611	--	--	--	10,154	8,790	5,333,537
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 5,853,066	\$ 44,651	\$ 314	\$ 2	\$ 20,655	\$ 10,154	\$ 8,924	\$ 5,937,766

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, 2020

	<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>
Revenues					
Taxes	\$ 7,368,098	\$ --	\$ --	\$ --	\$ 7,368,098
Licenses and Permits	21,864	--	--	--	21,864
Intergovernmental	2,080,849	--	--	--	2,080,849
Charges for Services	1,176,530	8,257	--	--	1,184,787
Fines and Forfeits	30,982	--	--	--	30,982
Interest and Rents	58,801	98	18	27	58,944
Other Revenue	673,039	--	--	--	673,039
Total Revenues	<u>11,410,163</u>	<u>8,355</u>	<u>18</u>	<u>27</u>	<u>11,418,563</u>
Expenditures					
General Government	5,305,820	--	--	--	5,305,820
Public Safety	4,008,357	--	--	--	4,008,357
Public Works	382,908	--	--	--	382,908
Health and Welfare	88,489	--	--	--	88,489
Community and Economic Development	58,608	--	--	--	58,608
Recreation and Culture	--	32,221	--	5,826	38,047
Other Expenditures	318,152	--	--	--	318,152
Maintenance	555	--	--	--	555
Total Expenditures	<u>10,162,889</u>	<u>32,221</u>	<u>--</u>	<u>5,826</u>	<u>10,200,936</u>
Excess of Revenues Over (Under) Expenditures	<u>1,247,274</u>	<u>(23,866)</u>	<u>18</u>	<u>(5,799)</u>	<u>1,217,627</u>
Other Financing Sources (Uses)					
Transfers In	40,150	29,000	--	--	69,150
Transfers Out	(863,074)	--	--	--	(863,074)
Net Other Financing Sources (Uses)	<u>(822,924)</u>	<u>29,000</u>	<u>--</u>	<u>--</u>	<u>(793,924)</u>
Net Change in Fund Balance	424,350	5,134	18	(5,799)	423,703
<i>Fund Balance at Beginning of Period</i>	4,845,632	39,477	10,136	14,589	4,909,834
Fund Balance at End of Period	\$ 5,269,982	\$ 44,611	\$ 10,154	\$ 8,790	\$ 5,333,537

**Oceana County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Special Revenue					
	Animal Control Building	Building Department	Interim Elderly and Handicapped	Register of Deeds Automation	Emergency Management Reserves Corp	Victims Services
ASSETS						
Cash and Investments	\$ 957	\$ 231,011	\$ --	\$ 79,165	\$ 1,011	\$ 5,412
Investments	--	--	--	--	--	--
Taxes Receivable	--	--	--	--	--	--
Accounts Receivable	--	--	--	--	--	--
Due from Other Governments	--	--	--	--	--	--
Prepays	--	4,328	--	36	--	--
Total Assets	\$ 957	\$ 235,339	\$ --	\$ 79,201	\$ 1,011	\$ 5,412
LIABILITIES						
Accounts Payable	\$ --	\$ 8,948	\$ --	\$ 5,392	\$ --	\$ --
Accrued Wages	--	856	--	--	--	--
Total Liabilities	--	9,804	--	5,392	--	--
DEFERRED INFLOWS OF RESOURCES						
Taxes Levied for a Subsequent Period	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	--	9,804	--	5,392	--	--
FUND BALANCE						
Nonspendable	--	4,328	--	36	--	--
Restricted	957	221,207	--	73,773	1,011	5,412
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	957	225,535	--	73,809	1,011	5,412
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 957	\$ 235,339	\$ --	\$ 79,201	\$ 1,011	\$ 5,412

Continued...

**Oceana County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Special Revenue					
	Local Correction Officer Training	Drug Law Enforcement	Law Library	CDBG Housing	Child Care	Criminal Justice Training
ASSETS						
Cash and Investments	\$ 25,486	\$ 273	\$ 21,292	\$ 130,784	\$ 214,199	\$ 15,552
Investments	--	--	--	--	--	--
Taxes Receivable	--	--	--	--	--	--
Accounts Receivable	508	--	--	--	--	--
Due from Other Governments	--	--	--	--	11,093	--
Prepays	--	--	--	--	331	--
Total Assets	\$ 25,994	\$ 273	\$ 21,292	\$ 130,784	\$ 225,623	\$ 15,552
LIABILITIES						
Accounts Payable	\$ --	\$ --	\$ 50	\$ --	\$ 26,508	\$ --
Accrued Wages	--	--	--	--	2,300	--
Total Liabilities	--	--	50	--	28,808	--
DEFERRED INFLOWS OF RESOURCES						
Taxes Levied for a Subsequent Period	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	--	--	50	--	28,808	--
FUND BALANCE						
Nonspendable	--	--	--	--	331	--
Restricted	25,994	273	21,242	130,784	196,484	15,552
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	25,994	273	21,242	130,784	196,815	15,552
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 25,994	\$ 273	\$ 21,292	\$ 130,784	\$ 225,623	\$ 15,552

**Oceana County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Special Revenue					
	Soldiers' and Sailors' Relief	Medical Care Facility Building Fund	Concealed Pistol	WM Field Rail Trail	Oceana-Mason DHHS	K9 Unit
ASSETS						
Cash and Investments	\$ 210,769	\$ 207,387	\$ 84,016	\$ 9,220	\$ --	\$ 10,094
Investments	--	--	--	--	--	--
Taxes Receivable	116,397	232,928	--	--	--	--
Accounts Receivable	--	--	--	--	--	--
Due from Other Governments	7,633	--	864	--	--	--
Prepays	391	--	--	--	--	--
Total Assets	\$ 335,190	\$ 440,315	\$ 84,880	\$ 9,220	\$ --	\$ 10,094
LIABILITIES						
Accounts Payable	\$ 229	\$ --	\$ --	\$ --	\$ --	\$ 594
Accrued Wages	1,037	--	--	--	--	--
Total Liabilities	1,266	--	--	--	--	594
DEFERRED INFLOWS OF RESOURCES						
Taxes Levied for a Subsequent Period	177,565	255,276	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	178,831	255,276	--	--	--	594
FUND BALANCE						
Nonspendable	391	--	--	--	--	--
Restricted	155,968	185,039	84,880	9,220	--	9,500
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	156,359	185,039	84,880	9,220	--	9,500
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 335,190	\$ 440,315	\$ 84,880	\$ 9,220	\$ --	\$ 10,094

Continued...

**Oceana County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Special Revenue					
	Technology and Innovation	Mason/Oceana 911	Court Improvement and Services Fund	Indigent Defense Fund	GIS	Friend of the Court
ASSETS						
Cash and Investments	\$ 11,469	\$ 15,592	\$ 13,089	\$ 253,219	\$ 13,418	\$ 379,257
Investments	--	--	--	--	--	--
Taxes Receivable	--	162,303	--	--	--	--
Accounts Receivable	--	--	--	--	--	--
Due from Other Governments	--	--	530	--	--	--
Prepays	15,192	--	--	415	--	33
Total Assets	\$ 26,661	\$ 177,895	\$ 13,619	\$ 253,634	\$ 13,418	\$ 379,290
LIABILITIES						
Accounts Payable	\$ 1,051	\$ --	\$ --	\$ 22,885	\$ --	\$ 35
Accrued Wages	--	--	--	824	--	710
Total Liabilities	1,051	--	--	23,709	--	745
DEFERRED INFLOWS OF RESOURCES						
Taxes Levied for a Subsequent Period	--	177,874	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	1,051	177,874	--	23,709	--	745
FUND BALANCE						
Nonspendable	15,192	--	--	415	--	33
Restricted	10,418	21	13,619	229,510	13,418	378,512
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	25,610	21	13,619	229,925	13,418	378,545
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 26,661	\$ 177,895	\$ 13,619	\$ 253,634	\$ 13,418	\$ 379,290

**Oceana County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	<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>	
ASSETS							
Cash and Investments	\$ 21,690	\$ 109	\$ 2,985	\$ 16,820	\$ 628,966	\$ 318	\$ 2,603,560
Investments	--	--	--	70,024	--	--	70,024
Taxes Receivable	--	--	--	--	--	--	511,628
Accounts Receivable	--	--	--	--	--	--	508
Due from Other Governments	--	--	--	--	--	--	20,120
Prepays	--	--	--	--	--	--	20,726
<i>Total Assets</i>	<u>\$ 21,690</u>	<u>\$ 109</u>	<u>\$ 2,985</u>	<u>\$ 86,844</u>	<u>\$ 628,966</u>	<u>\$ 318</u>	<u>\$ 3,226,566</u>
LIABILITIES							
Accounts Payable	\$ 623	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 66,315
Accrued Wages	--	--	--	--	--	--	5,727
<i>Total Liabilities</i>	<u>623</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>72,042</u>
DEFERRED INFLOWS OF RESOURCES							
Taxes Levied for a Subsequent Period	--	--	--	--	--	--	610,715
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>623</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>682,757</u>
FUND BALANCE							
Nonspendable	--	--	--	--	--	--	20,726
Restricted	21,067	109	2,985	--	628,966	318	2,436,238
Committed	--	--	--	86,844	--	--	86,844
Unassigned	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>21,067</u>	<u>109</u>	<u>2,985</u>	<u>86,844</u>	<u>628,966</u>	<u>318</u>	<u>2,543,809</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$ 21,690</u>	<u>\$ 109</u>	<u>\$ 2,985</u>	<u>\$ 86,844</u>	<u>\$ 628,966</u>	<u>\$ 318</u>	<u>\$ 3,226,566</u>

Oceana County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue					
	Animal Control Building	Building Department	Interim Elderly and Handicapped	Register of Deeds Automation	Emergency Management Reserves Corp	Victims Services
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	376,864	--	--	--	--
Intergovernmental	--	--	25,847	--	--	1,100
Charges for Services	--	--	--	37,970	--	--
Operating Grants and Contributions	--	--	--	--	--	--
Fines and Forfeits	--	--	--	--	--	--
Interest and Rents	2	1,253	--	133	1	8
Other Revenue	--	240	--	--	--	--
Total Revenues	2	378,357	25,847	38,103	1	1,108
Expenditures						
General Government	--	--	--	43,440	--	--
Public Safety	--	349,395	--	--	61	--
Public Works	--	--	--	--	--	--
Health and Welfare	--	--	25,847	--	--	--
Community and Economic Development	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--
Total Expenditures	--	349,395	25,847	43,440	61	--
Excess of Revenues Over (Under) Expenditures	2	28,962	--	(5,337)	(60)	1,108
Other Financing Sources (Uses)						
Transfers In	--	--	--	--	--	--
Transfers Out	--	--	--	--	--	--
Net Other Financing Sources (Uses)	--	--	--	--	--	--
Net Change in Fund Balance	2	28,962	--	(5,337)	(60)	1,108
<i>Fund Balance at Beginning of Period</i>	955	196,573	--	79,146	1,071	4,304
Fund Balance at End of Period	\$ 957	\$ 225,535	\$ --	\$ 73,809	\$ 1,011	\$ 5,412

Continued...

Oceana County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue					
	Local Correction Officer Training	Drug Law Enforcement	Law Library	CDBG Housing	Child Care	Criminal Justice Training
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--	--	--	--
Intergovernmental	--	--	--	1,000,000	38,031	2,684
Charges for Services	6,148	--	--	11,111	13,413	--
Operating Grants and Contributions	--	--	--	--	--	--
Fines and Forfeits	--	--	3,500	--	--	--
Interest and Rents	41	--	40	240	194	21
Other Revenue	--	--	--	--	--	--
Total Revenues	6,189	--	3,540	1,011,351	51,638	2,705
Expenditures						
General Government	--	--	6,310	--	--	--
Public Safety	3,278	--	--	--	--	1,918
Public Works	--	--	--	--	--	--
Health and Welfare	--	--	--	--	180,061	--
Community and Economic Development	--	--	--	1,012,286	--	--
Debt Service - Principal	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--
Total Expenditures	3,278	--	6,310	1,012,286	180,061	1,918
Excess of Revenues Over (Under) Expenditures	2,911	--	(2,770)	(935)	(128,423)	788
Other Financing Sources (Uses)						
Transfers In	--	--	--	--	180,000	3,500
Transfers Out	--	--	--	(15,000)	--	--
Net Other Financing Sources (Uses)	--	--	--	(15,000)	180,000	3,500
Net Change in Fund Balance	2,911	--	(2,770)	(15,935)	51,577	4,287
<i>Fund Balance at Beginning of Period</i>	23,083	273	24,012	146,719	145,238	11,265
Fund Balance at End of Period	\$ 25,994	\$ 273	\$ 21,242	\$ 130,784	\$ 196,815	\$ 15,552

Continued...

Oceana County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue					
	Soldiers' and Sailors' Relief	Medical Care Facility Building Fund	Concealed Pistol	WM Field Rail Trail	Oceana-Mason DHHS	K9 Unit
Revenues						
Taxes	\$ 123,179	\$ 246,461	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	20,738	--	--	--
Intergovernmental	--	--	--	--	--	--
Charges for Services	--	--	--	--	--	--
Operating Grants and Contributions	57,633	--	--	--	--	--
Fines and Forfeits	--	--	--	--	--	--
Interest and Rents	1,112	2,490	117	17	4	31
Other Revenue	23,438	--	--	--	--	145
Total Revenues	205,362	248,951	20,855	17	4	176
Expenditures						
General Government	--	--	--	--	--	--
Public Safety	1,904	--	689	--	--	3,477
Public Works	5,098	--	--	--	--	--
Health and Welfare	125,677	109	--	--	596	--
Community and Economic Development	--	--	--	--	--	--
Debt Service - Principal	--	215,000	--	--	--	--
Debt Service - Interest	--	27,510	--	--	--	--
Capital Outlay	--	--	--	--	--	--
Total Expenditures	132,679	242,619	689	--	596	3,477
Excess of Revenues Over (Under) Expenditures	72,683	6,332	20,166	17	(592)	(3,301)
Other Financing Sources (Uses)						
Transfers In	--	--	--	--	596	--
Transfers Out	--	--	--	--	(8,479)	(15,000)
Net Other Financing Sources (Uses)	--	--	--	--	(7,883)	(15,000)
Net Change in Fund Balance	72,683	6,332	20,166	17	(8,475)	(18,301)
<i>Fund Balance at Beginning of Period</i>	83,676	178,707	64,714	9,203	8,475	27,801
Fund Balance at End of Period	\$ 156,359	\$ 185,039	\$ 84,880	\$ 9,220	\$ --	\$ 9,500

Continued...

Oceana County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue					
	Technology and Innovation	Mason/Oceana 911	Improvement and Services Fund	Indigent Defense Fund	GIS	Friend of the Court
Revenues						
Taxes	\$ --	\$ 172,213	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--	--	--	--
Intergovernmental	--	155,057	--	496,352	--	2,420
Charges for Services	--	--	6,300	439	--	8,722
Operating Grants and Contributions	--	--	--	--	--	--
Fines and Forfeits	--	--	--	--	--	--
Interest and Rents	93	40	22	360	27	2,224
Other Revenue	1,569	--	--	--	1,281	--
Total Revenues	1,662	327,310	6,322	497,151	1,308	13,366
Expenditures						
General Government	102,815	--	5,918	376,685	5,950	44,524
Public Safety	--	327,292	--	--	--	--
Public Works	--	--	--	--	--	--
Health and Welfare	--	--	--	--	--	--
Community and Economic Development	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--
Total Expenditures	102,815	327,292	5,918	376,685	5,950	44,524
Excess of Revenues Over (Under) Expenditures	(101,153)	18	404	120,466	(4,642)	(31,158)
Other Financing Sources (Uses)						
Transfers In	116,968	--	--	92,954	--	--
Transfers Out	--	--	(198)	--	(4,750)	--
Net Other Financing Sources (Uses)	116,968	--	(198)	92,954	(4,750)	--
Net Change in Fund Balance	15,815	18	206	213,420	(9,392)	(31,158)
<i>Fund Balance at Beginning of Period</i>	9,795	3	13,413	16,505	22,810	409,703
Fund Balance at End of Period	\$ 25,610	\$ 21	\$ 13,619	\$ 229,925	\$ 13,418	\$ 378,545

Continued...

Oceana County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	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		
Revenues								
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 541,853
Licenses and Permits	--	--	--	--	--	--	--	397,602
Intergovernmental	--	--	--	--	--	--	--	1,721,491
Charges for Services	10,582	--	--	--	--	--	--	94,685
Operating Grants and Contributions	--	--	--	--	--	--	--	57,633
Fines and Forfeits	--	--	--	--	--	--	--	3,500
Interest and Rents	32	6	12	264	2,697	2		11,484
Other Revenue	--	--	--	12,000	--	--	--	38,673
Total Revenues	10,614	6	12	12,264	2,697	2		2,866,921
Expenditures								
General Government	--	--	--	--	--	--	--	585,642
Public Safety	8,839	--	--	--	--	--	--	696,853
Public Works	--	--	--	--	--	--	--	5,098
Health and Welfare	--	--	--	--	--	--	--	332,290
Community and Economic Development	--	--	--	--	--	--	--	1,012,286
Debt Service - Principal	--	20,000	25,000	--	--	--	--	260,000
Debt Service - Interest	--	2,418	3,173	--	--	--	--	33,101
Capital Outlay	--	--	--	184,753	--	--	--	184,753
Total Expenditures	8,839	22,418	28,173	184,753	--	--	--	3,110,023
Excess of Revenues Over (Under) Expenditures	1,775	(22,412)	(28,161)	(172,489)	2,697	2		(243,102)
Other Financing Sources (Uses)								
Transfers In	--	22,400	28,150	136,527	350,000	--	--	931,095
Transfers Out	--	--	--	--	--	--	--	(43,427)
Net Other Financing Sources (Uses)	--	22,400	28,150	136,527	350,000	--	--	887,668
Net Change in Fund Balance	1,775	(12)	(11)	(35,962)	352,697	2		644,566
<i>Fund Balance at Beginning of Period</i>	19,292	121	2,996	122,806	276,269	316		1,899,243
Fund Balance at End of Period	\$ 21,067	\$ 109	\$ 2,985	\$ 86,844	\$ 628,966	\$ 318		\$ 2,543,809

Concluded.

**Oceana County
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2020**

	Enterprise		
	Homestead Denial	Jail Commissary	Total Enterprise Funds
ASSETS			
<i>Current Assets</i>			
Cash and Investments	\$ 4,364	\$ 29,412	\$ 33,776
Total Current Assets	4,364	29,412	33,776
NET POSITION			
<i>Unrestricted</i>	4,364	29,412	33,776
Total Net Position	\$ 4,364	\$ 29,412	\$ 33,776

Oceana County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2020

	Enterprise			Total Enterprise Funds
	Homestead Denial	Housing Commission	Jail Commissary	
Operating Revenues				
Charges for Services	\$ 373	\$ --	\$ 69,767	\$ 70,140
Total Operating Revenues	373	--	69,767	70,140
Operating Expenses				
Operations	157	5,000	29,286	34,443
Total Operating Expenses	157	5,000	29,286	34,443
Operating Income (Loss)	216	(5,000)	40,481	35,697
Non-Operating Revenues (Expenses)				
Interest Income	9	--	--	9
Net Non-Operating Revenues (Expenses)	9	--	--	9
Transfers	225	(5,000)	40,481	35,706
Transfers In	--	5,000	--	5,000
Transfers Out	(1,671)	--	(68,923)	(70,594)
Change In Net Position	(1,446)	--	(28,442)	(29,888)
<i>Net Position at Beginning of Period</i>	5,810	--	57,854	63,664
Net Position at End of Period	\$ 4,364	\$ --	\$ 29,412	\$ 33,776

Oceana County
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2020

Business-type Activities - Enterprise Funds

	Homestead Denial	Housing Commission	Jail Commissary	Total Enterprise Funds
Cash Flows from Operating Activities				
Receipts from Customers	\$ 373	\$ -	\$ 69,767	\$ 70,140
Cash Paid to Suppliers	(157)	(5,000)	(29,286)	(34,443)
Net Cash Provided (Used) by Operating Activities	216	(5,000)	40,481	35,697
Cash Flows from Noncapital and Related Financing Activities				
Transfers In (Out)	(1,671)	5,000	(68,923)	(65,594)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(1,671)	5,000	(68,923)	(65,594)
Cash Flows from Investing Activities				
Interest Income	9	-	-	9
Net Cash Provided by Investing Activities	9	-	-	9
Net Increase (Decrease) in Cash and Investments	(1,446)	-	(28,442)	(29,888)
Cash and Investments - Beginning of the Year	5,810	-	57,854	63,664
Cash and Investments - End of the Year	\$ 4,364	\$ -	\$ 29,412	\$ 33,776
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 216	\$ (5,000)	\$ 40,481	\$ 35,697
Net Cash Provided (Used) by Operating Activities	\$ 216	\$ (5,000)	\$ 40,481	\$ 35,697

Oceana County
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2020

	<u>Trust and Agency</u>	<u>Library</u>	<u>Inmate Trust Fund</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 398,263	\$ 145,725	\$ 19,934	\$ 563,922
<i>Total Assets</i>	<u>398,263</u>	<u>145,725</u>	<u>19,934</u>	<u>563,922</u>
LIABILITIES				
Due to other governments	203,952	--	--	203,952
Undistributed collections	--	15,928	--	15,928
Bonds and other payables	194,311	--	--	194,311
<i>Total Liabilities</i>	<u>398,263</u>	<u>15,928</u>	<u>--</u>	<u>414,191</u>
NET POSITION				
Restricted for individuals, organizations, and other governments	<u>\$ --</u>	<u>\$ 129,797</u>	<u>\$ 19,934</u>	<u>\$ 149,731</u>

Oceana County
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2020

	<u>Trust and Agency</u>	<u>Library</u>	<u>Inmate Trust Fund</u>	<u>Total</u>
Additions				
Taxes collected for other governments	\$ 7,348,570	\$ --	\$ --	\$ 7,348,570
Library penal fine collections	--	107,967	--	107,967
Inmate trust collections	--	--	325,164	325,164
Court collections	357,352	--	--	357,352
County clerk/register of deeds collections	1,474,651	--	--	1,474,651
Treasurer collections	14,664	--	--	14,664
Total Additions	<u>9,195,237</u>	<u>107,967</u>	<u>325,164</u>	<u>9,628,368</u>
Deductions				
Payments of property taxes to other governments	7,348,570	--	--	7,348,570
Library penal fine distributions	--	146,520	--	146,520
Inmate trust distributions	--	--	320,788	320,788
Court distributions	357,352	--	--	357,352
County clerk/register of deeds distributions	1,474,651	--	--	1,474,651
Treasure distributions	14,664	--	--	14,664
Total Deductions	<u>9,195,237</u>	<u>146,520</u>	<u>320,788</u>	<u>9,662,545</u>
Change in Net Position	--	(38,553)	4,376	(34,177)
<i>Net Position at Beginning of Period (Restated, Note 14)</i>	--	168,350	15,558	183,908
Net Position at End of Period	<u>\$ --</u>	<u>\$ 129,797</u>	<u>\$ 19,934</u>	<u>\$ 149,731</u>

Oceana County Drainage Districts
Statement of Net Position
December 31, 2020

ASSETS

Current Assets

Cash and Investments	\$	443,295
Special Assessments Receivable		187,929
Total Current Assets		631,224

Noncurrent Assets

Capital Assets, net of Accumulated Depreciation		2,185,868
Total Assets		2,817,092

LIABILITIES

Current Liabilities

Current Portion of Compensated Absences		1,093
Current Portion of Long-term Debt		10,578
Accrued Interest		564
Total Current Liabilities		12,235

Noncurrent Liabilities

Advances from Other Governmental Units		72,808
Compensated Absences		3,279
Long-term Debt		21,154
Total Liabilities		109,476

NET POSITION

Net Investment in Capital Assets		2,154,136
----------------------------------	--	-----------

Restricted for:

Restricted for Debt Service		11
Restricted for Capital Improvements		553,469

Unrestricted

		--
Total Net Position	\$	2,707,616

**Oceana County Drainage Districts
Statement of Activities
For the Year Ended December 31, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Public Works	\$ 191,576	\$ 28,915	\$ --	\$ --	\$ (162,661)
Interest on Long-term Debt	1,791	--	--	--	(1,791)
Total	\$ 193,367	\$ 28,915	\$ --	\$ --	(164,452)
General Purpose Revenues					
Interest Revenue					2,027
Total General Revenues					2,027
Change in Net Position					(162,425)
<i>Net Position at Beginning of Period</i>					<i>2,870,041</i>
Net Position at End of Period					\$ 2,707,616

**Oceana County Drainage Districts
Balance Sheet
Governmental Funds
December 31, 2020**

	Debt Service		Capital Projects				Total Governmental Funds
	Drain Debt	Drain Equipment Revolving	Regular Drain	Drain Revolving	Crystal Lake Improvement	Stony Lake Board	
ASSETS							
Cash and Investments	\$ 11	\$ 2,072	\$ 378,160	\$ 7,076	\$ 5,168	\$ 50,808	\$ 443,295
Special Assessments Receivable	--	--	187,929	--	--	--	187,929
Due from Other Funds	--	--	--	29,574	--	--	29,574
Total Assets	\$ 11	\$ 2,072	\$ 566,089	\$ 36,650	\$ 5,168	\$ 50,808	\$ 660,798
LIABILITIES							
Due to Other Funds	\$ --	\$ --	\$ 29,574	\$ --	\$ --	\$ --	\$ 29,574
Advances from Other Governmental Units	--	--	41,608	31,200	--	--	72,808
Total Liabilities	--	--	71,182	31,200	--	--	102,382
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues - Special Assessments	--	--	187,928	--	--	--	187,928
Total Liabilities and Deferred Inflows of Resources	--	--	259,110	31,200	--	--	290,310
FUND BALANCE							
Restricted	11	2,072	306,979	5,450	5,168	50,808	370,488
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	11	2,072	306,979	5,450	5,168	50,808	370,488
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 11	\$ 2,072	\$ 566,089	\$ 36,650	\$ 5,168	\$ 50,808	\$ 660,798

Oceana County Drainage Districts
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2020

Total Fund Balance - Governmental Funds	\$	370,488
Capital assets used in governmental activities of \$4,262,926, net of accumulated depreciation of \$2,077,058, are not financial resources and therefore are not reported as assets in the governmental funds.		2,185,868
Long-term receivables are not available to pay for current period expenditures and are therefore reported as deferred inflows of resources in the funds.		187,928
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 \$31,732.		(31,732)
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.		(564)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(4,372)
Total Net Position - Governmental Activities	\$	<u>2,707,616</u>

Oceana County Drainage Districts
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2020

	Debt Service		Capital Projects				Total Governmental Funds
	Drain Debt	Drain Equipment Revolving	Regular Drain	Drain Revolving	Crystal Lake Improvement	Stony Lake Board	
Revenues							
Special Assessments	\$ --	\$ --	\$ 101,846	\$ --	\$ --	\$ 31,651	\$ 133,497
Other Revenue	--	250	12,416	--	--	2,050	14,716
Interest Revenue	--	6	1,877	12	9	123	2,027
Total Revenues	<u>--</u>	<u>256</u>	<u>116,139</u>	<u>12</u>	<u>9</u>	<u>33,824</u>	<u>150,240</u>
Expenditures							
Public Works	--	--	47,102	--	--	37,691	84,793
Debt Service - Principal	10,578	--	--	--	--	--	10,578
Debt Service - Interest	1,692	--	--	--	--	--	1,692
Total Expenditures	<u>12,270</u>	<u>--</u>	<u>47,102</u>	<u>--</u>	<u>--</u>	<u>37,691</u>	<u>97,063</u>
Excess of Revenues Over (Under) Expenditures	<u>(12,270)</u>	<u>256</u>	<u>69,037</u>	<u>12</u>	<u>9</u>	<u>(3,867)</u>	<u>53,177</u>
Other Financing Sources (Uses)							
Transfers In	12,270	--	--	--	--	--	12,270
Transfers Out	--	--	(12,270)	--	--	--	(12,270)
Net Other Financing Sources (Uses)	<u>12,270</u>	<u>--</u>	<u>(12,270)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	<u>--</u>	<u>256</u>	<u>56,767</u>	<u>12</u>	<u>9</u>	<u>(3,867)</u>	<u>53,177</u>
<i>Fund Balance at Beginning of Period</i>	11	1,816	250,212	5,438	5,159	54,675	317,311
Fund Balance at End of Period	<u>\$ 11</u>	<u>\$ 2,072</u>	<u>\$ 306,979</u>	<u>\$ 5,450</u>	<u>\$ 5,168</u>	<u>\$ 50,808</u>	<u>\$ 370,488</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, 2020

Total Net Change in Fund Balances - Governmental Funds	\$	53,177
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 \$106,573.		(106,573)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(119,298)
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 \$10,578.		10,578
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.		(99)
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.		(210)
Changes in Net Position - Governmental Activities	\$	<u>(162,425)</u>

Oceana County

Annual Continuing Disclosure
(UNAUDITED)
Year Ended December 31, 2020



Oceana County
Continuing Disclosure – Unaudited
December 31, 2020

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, 2020

COUNTY TAXATION AND LIMITATIONS

Property Tax Levy History

<u>Purpose</u>	<u>7/1/2020</u>	<u>12/1/2020</u>
County Operating ⁽¹⁾	5.7344	-
Ambulance Service ⁽¹⁾⁽²⁾	-	1.0000
Medical Care Facility ⁽¹⁾⁽²⁾	-	2.0000
Council on Aging ⁽²⁾	-	0.9973
Veterans ⁽²⁾	-	0.1000
911 ⁽¹⁾	-	0.1394
Total County	<u>5.7344</u>	<u>4.2367</u>

(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>
2020	\$ 1,800,968,872	\$ 1,274,876,584	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>
2020	\$ 48,667,788	\$ 44,367,872	91.2%	\$ 3,584,635

Oceana County
Continuing Disclosure – Unaudited
December 31, 2020

REVENUES FROM THE STATE OF MICHIGAN

<u>Fiscal Year Ended/Ending</u>	<u>Revenue Sharing/CIP Payments</u>
December 31, 2020	\$ 428,895

COUNTY DEBT as of December 31, 2019

Statement of Legal Debt Margin

2020 State Equalized Valuation	\$ 1,800,968,872
Legal Debt Limit (10% of SEV)	180,096,887
Debt Outstanding	<u>835,000</u>
Additional debt that can legally be incurred	<u>\$ 179,261,887</u>

Debt Statement

The following table reflects a breakdown of the County's direct and overlapping debt as of December 31, 2020:

<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 ⁽¹⁾</u>	<u>Percent of SEV</u>
Capital Improvement Bonds (L.T.G.O.)	\$ 3,140,000	\$ -	\$ 880,000	\$ 33	0.05%
<u>Overlapping Debt of County ⁽²⁾</u>					
School Districts			\$ 53,374,188		
Intermediate School Districts			39,648		
Cities			135,000		
Villages			4,751,067		
Library			75,108		
Township			<u>78</u>		
Total Overlapping Debt			<u>58,375,089</u>	<u>2,197</u>	<u>3.42%</u>
Total County Net and Overlapping Debt			<u>\$ 59,255,089</u>	<u>\$ 2,230</u>	<u>3.47%</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, 2020

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, 2020 the County had no capital lease obligations.

Retirement System

For a description of the retirement benefits of the County employees as of December 31, 2020 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.

<u>Bargaining Unit</u>	<u>Employees at December 31, 2020</u>	<u>Current Contract Expiration Date</u>
County Sheriff Department Command	2	12/31/2024
County Sheriff Department Non-Command	31	12/31/2025
Medical Care Facility	193	12/31/2022
Ambulance	0	n/a
Non-Union	65	n/a
<i>Total</i>	<u>291</u>	

Oceana County
Continuing Disclosure – Unaudited
December 31, 2020

Major Taxpayers

<u>Taxpayer</u>	<u>Product or Service</u>	<u>2020 Taxable Value</u>	<u>Percent of Total 2020 Taxable Value</u>
Oceana Co Freezer Storage, Inc.	Agriculture	\$ 13,132,911	1.03%
E & L Peterson Land, Inc.	Agriculture	11,911,868	0.93%
Great Lakes Energy	Utilities	10,667,100	0.84%
Wolverine Power Cooperative	Utilities	10,426,899	0.82%
Michigan Electric Transmission	Utilities	8,158,000	0.64%
Consumers Energy	Utilities	8,154,088	0.64%
Valley View Pork LLC	Agriculture	6,105,943	0.48%
Double JJ Propco, LLC	Hospitality	4,597,889	0.36%
Peterson Farms Fresh, Inc.	Agriculture	4,290,500	0.34%
Arbre Farms Corporation	Agriculture	4,090,009	0.32%
	Totals	<u>\$ 81,535,207</u>	<u>6.40%</u>

SOURCE: County of Oceana



**OCEANA COUNTY
SINGLE AUDIT ACT COMPLIANCE
YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE

Honorable Members of 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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 30, 2021, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Gabridge & Company, PLC
Grand Rapids, MI
July 30, 2021

Oceana County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Agency / Cluster / Program Title	Number	Through	Grantor Number	Expenditures
U.S. Department of Agriculture				
Huron-Manistee Forest Patrol	10.665	MDNR	16-LE-11090400-019	\$ 4,000
U.S. Department of Justice				
BASIC Grant	16.540	MDHHS	-n/a-	7,360
Coronavirus Emergency Supplemental Funding Grant				
COVID - Sheriff	16.034	MDT	CESF-25-2020	43,899
COVID - Prosecutor	16.034	MDT	CESF 7-64-055	2,417
COVID - Courts	16.034	MDT	CESF-8-64-0126	21,026
Total U.S. Department of Justice				74,702
U.S. Department of Health and Human Services				
Child Support Enforcement:				
Title IV-D - Incentive Payments	93.563	MDHHS	-n/a-	55,685
Title IV-D - Friend of the Court	93.563	MDHHS	CSFOC-17-64001	316,902
Title IV-D - Prosecuting Attorney	93.563	MDHHS	CSPA-17-64001	55,024
Total U.S. Department of Health and Human Services				427,611
U.S. Department of Homeland Security				
Emergency Management Preparedness Grant	97.042	MSP	EMC-2020-EP-00005	24,402
U.S. Department of Transportation				
Hazardous Materials Emergency Preparedness	20.703	MSP	HM-HMP-0558-16-01-00	1,500
U.S. Department of Treasury				
COVID - Coronavirus Relief Local Government Grants	21.019	MDT	64-000-CRLGG	203,730
COVID - Public Safety and Public Health Payroll Reimbursement Pro.	21.019	MDT	64-0000-PSPHPR	224,374
COVID - Public Safety Hazard Pay	21.019	MDT	64-0000-FRHPPP	31,000
COVID - Airport Operations Grant	21.019	MDT	C04-11720	30,000
Total U.S. Department of Treasury				489,104
U.S. Department of Housing and Urban Development				
Community Development Block Grant	14.228	MEDC	MSC 219008-EDME	1,000,000
Total Expenditures of Federal Awards				\$ 2,021,319

See notes to schedule of expenditures of federal awards.

Oceana County

Notes to the Schedule of Expenditures of Federal Awards

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Oceana County (the "County") under programs of the federal government for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's Audited Financial Statements. The County's financial statements include the operations of the Oceana County Road Commission and the Oceana County Medical Care Facility, which received federal awards that are not included in the Schedule for the year ended December 31, 2020, as these entities were separately audited.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

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

NOTE C - RECONCILIATION TO FINANCIAL STATEMENTS

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

Intergovernmental Revenue Reported in the Financial Statements	
Governmental Funds	\$ 3,802,340
Subtract State and Local Sources:	<u>(1,781,021)</u>
Total Expenditures of Federal Awards	<u>\$ 2,021,319</u>

Oceana County

Notes to the Schedule of Expenditures of Federal Awards

NOTE D - PASS-THROUGH AGENCIES

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

Pass-through Agency	
Abbreviation	Pass-through Agency Name
MDHHS	Michigan Department of Health and Human Services
MDNR	Michigan Department of Natural Resources
MSP	Michigan Department of State Police
MDT	Michigan Department of Treasury
MEDC	Michigan Economic Development Corporation

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

To the Board of Commissioners
Oceana County, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oceana County, Michigan (the "County"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated July 30, 2021. Our report includes a reference to other auditors who audited the financial statements of the Oceana County Road Commission. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Gabridge & Company".

Gabridge & Company, PLC
Grand Rapids, MI
July 30, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE

To the Board of Commissioners
Oceana County, Michigan

Report on Compliance for Each Major Federal Program

We have audited Oceana County, Michigan's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Oceana County Road Commission and the Oceana County Medical Care Facility, discretely presented component units, which received certain federal awards which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2020. Our audit, described below, did not include the operations of Oceana County Road Commission or the Oceana County Medical Care Facility, because they arranged for a separate financial statement audit and did not meet the criteria for a single audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Count's internal control over compliance.

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

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

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



Gabridge & Company, PLC
Grand Rapids, MI
July 30, 2021

Oceana County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal controls over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs

Name of Federal Program or Cluster	CFDA Number
Community Development Block Grant	14.228
Dollar threshold used to distinguish between Type A and B programs?	\$ 750,000
Auditee qualified as a low-risk auditee?	No

SECTION II - FINANCIAL STATEMENT FINDINGS
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No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
--

No matters were reported.

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

No matters were reported in the prior year.

July 30, 2021

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, 2020. 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, *Government Auditing Standards*, and the Uniform Guidance, 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, 2021. 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, except as stated in Note 14 to the financial statements, the application of existing policies was not changed during 2020. 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, 2020.
- 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 July 30, 2021.

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 and the schedule of expenditures of federal awards, 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 the 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.

A handwritten signature in cursive script that reads "Gabridge & Company".

Gabridge & Company, PLC
Grand Rapids, MI