

West Michigan Shoreline Regional
Development Commission

REPORT ON FINANCIAL STATEMENTS
(with required supplementary information)

September 30, 2018



West Michigan Shoreline Regional Development Commission

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
West Michigan Shoreline Regional
Development Commission
Muskegon, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of West Michigan Shoreline Regional Development Commission, Michigan, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of West Michigan Shoreline Regional Development Commission, Michigan, as of September 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of changes in net pension liability (asset) and related ratios, and pension system schedule of contributions on pages 4 through 10 and 30 through 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Michigan Shoreline Regional Development Commission's basic financial statements. The combining cumulative and current statements of revenues and expenditures and computations of fringe benefit and indirect cost rates are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining cumulative and current statements of revenues and expenditures and computations of fringe benefit and indirect cost rates 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 cumulative and current statements of revenues and expenditures and computations of fringe benefit and indirect cost rates are fairly stated in all material respects in relation to the basic financial statements as a whole.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2019, on our consideration of West Michigan Shoreline Regional Development Commission’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 West Michigan Shoreline Regional Development Commission’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 West Michigan Shoreline Regional Development Commission’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Brickley DeLong, P.C." The signature is written in a cursive style with a large, looping initial 'B'.

Muskegon, Michigan
March 13, 2019

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Management's Discussion and Analysis

As management of the West Michigan Shoreline Regional Development Commission (Commission), we present to the readers of the Commission's financial statements this overview and analysis of the financial activities of the Commission for the fiscal year ended September 30, 2018. We encourage you to consider the information presented in these financial statements along with the additional information that has been furnished in this letter.

FINANCIAL HIGHLIGHTS

- The Commission's net position increased by \$138,298, from \$812,922 to \$951,220.
- During the year, the Commission's total expenses were \$7,496,969. Of this amount, \$7,421,711 (94%) was funded with federal and state grants, \$136,186 (2%) was funded with direct charges to local municipalities and others, and the remainder came from membership dues and net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Commission's finances. These statements are similar to those of a private sector business.

The Statement of Net Position presents information on all of the Commission's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between the two 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 Commission is improving or deteriorating.

The Statement of Activities presents information showing how the Commission's net position changed during the fiscal year. All changes in net position are reported when the 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.

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 Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Commission has one category of funds—governmental 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 current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a governmental entity's short-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 short-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.

The Commission maintains one individual governmental fund, the General Operations Fund.

Notes to 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. The reader is encouraged to include the reading of this section in any attempt to analyze and understand these statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's budgetary information as it relates to the actual revenues and expenditures for the General Operations Fund.

Government-wide Financial Analysis

The first table presented below is a summary of the government-wide statement of net position for the Commission. As stated earlier, the net position may be used as an indicator of a government's financial health. As of September 30, 2018, the Commission's net position from governmental activities totaled \$951,220.

In examining the composition of net position, the reader should note that a portion of governmental activities net position is invested in capital assets (i.e., office equipment and office furniture). These assets are used to provide services to the Commission's members, and they are not available to pay salaries, operational expenses or fund capital projects. The unrestricted net position for governmental activities actually depicts a balance of \$872,397. This represents the amount of discretionary resources that can be used for general governmental operations.

For fiscal year 2018, current assets and current liabilities increased significantly as the Commission had a sizable payable owed to a contractor and a corresponding receivable to cover the cost due from a grantor at year-end.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION**Management's Discussion and Analysis****Net Position**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Current assets and other assets	\$ 4,819,207	\$ 1,814,190
Capital assets	<u>78,823</u>	<u>91,579</u>
Total assets	4,898,030	1,905,769
Deferred outflows of resources	<u>239,433</u>	<u>431,544</u>
Total assets and deferred outflows of resources	5,137,463	2,337,313
Current liabilities	3,829,325	1,120,620
Noncurrent liabilities	-	-
Total liabilities	<u>3,829,325</u>	<u>1,120,620</u>
Deferred inflows of resources	<u>356,918</u>	<u>403,771</u>
Total liabilities and deferred inflows of resources	<u>4,186,243</u>	<u>1,524,391</u>
Net position		
Net investment in capital assets	78,823	91,579
Unrestricted	<u>872,397</u>	<u>721,343</u>
Total net position	<u>\$ 951,220</u>	<u>\$ 812,922</u>

Governmental activities net position increased by \$138,298 (17%) during the 2018 fiscal year. The following table depicts this occurrence which will be discussed in more detail later in this analysis.

Change in Net Position

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenues		
Program revenues		
Charges for services	\$ 136,186	\$ 235,853
Operating grants and contributions	7,421,711	5,941,681
General revenues		
Membership dues	<u>77,370</u>	<u>77,370</u>
Total revenues	7,635,267	6,254,904
Expenses		
Land use planning	15,680	25,114
Regional initiatives	29,135	-
Economic development	61,661	103,517
Transportation planning	529,899	515,090
Environmental clean-up	5,710,471	4,383,113
Homeland Security	938,572	983,307
General administration	<u>211,551</u>	<u>277,512</u>
Total expenses	<u>7,496,969</u>	<u>6,287,653</u>
Change in net position	138,298	(32,749)
Net position - Beginning	<u>812,922</u>	<u>845,671</u>
Net position - Ending	<u>\$ 951,220</u>	<u>\$ 812,922</u>

Governmental Activities

Program revenues and expenses fall into the following major categories:

Land Use Planning – This category includes local contributions for local land use planning projects. This includes Master Plans and Recreation Plans completed for local governments and Geographic Information System (GIS) Projects completed for local governments.

Economic Development – This category includes the Economic Development Administration (EDA) Partnership Planning Grant. This includes economic development technical assistance, as well as the development and implementation of the Comprehensive Economic Development Strategy. The current grant is a three-year allocation which covers the period January 2017 through December 2019.

Transportation Planning – The Michigan Department of Transportation (MDOT) funds include the annual Metropolitan Transportation Planning Organization (MPO) grant, the Areawide Air Quality Improvement Program, the Asset Management Program, the Regional Transportation Program and the Rural Transportation Program. Through the Asset Management Program, various local roads within the MPO have been rated. The MPO and Air Quality programs are federally funded, and Asset Management and Regional Transportation projects are state funded. Corridor Management Plan is being developed with assistance from MDOT and the West Michigan Beach Towns Coalition. The infrastructure Asset Management Pilot Project was partially funded by the State and the Federal Highway Administration.

Environmental Clean-up – There are a number of grants in this category devoted to the remediation of area waterways. It includes Stormwater, Asset Management, Wastewater Program, Tree Planting, Remedial Action Plan – Muskegon Lake AOC, Urban Watershed – Phase II, Urban Runoff/Reforestation which includes a partnership with the Muskegon river Watershed Assembly, Invasive Species Control, Veterans Park, Mill Debris, Bear Creek Hydrologic Reconnection and Habitat Restoration, Lower Muskegon River Design, Bear Creek Watershed Implementation, Habitat Focus Area, Regional Prosperity Initiative Regional Watershed Collaboration. As Muskegon Lake moves closer to delisting as an area of concern, both activity and funding has increased.

Homeland Security – As Fiduciary for the Region 6 Homeland Security Planning Board, the Commission is the grantee for the 2015, 2016, and 2017 Homeland Security Grants. The purpose of these grants is to provide federal pass-through funds for preventing, deterring, responding to and recovering from incidents of natural significance including terrorism and natural disasters.

General administration – Expenses vary from year to year depending on the level of staffing and project load.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Management's Discussion and Analysis

Financial Analysis of the Government's Funds

As stated earlier in this discussion and analysis, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of the 2018 fiscal year, the General Operations Fund reported a fund balance of \$406,704, an increase of \$83,519. The Commission receives a significant portion of its funding from grants, charges for services, and membership dues. The unassigned fund balance was \$406,604. Unassigned fund balance represents 5.4 percent of the General Operations Fund's 2018 fiscal expenditures.

General Operations Fund Budget

During the current fiscal year, the Commission approved one mid-year budget amendment. The Commission budgets are based on grants received. Grant activity for many of the grants crosses fiscal years. Therefore, most of the budget variations are due to grants that were not completed during the current fiscal year. The Commission did overspend in total. This occurred, in part, due to increased activities in this fiscal year in these multi-year grants.

Capital Assets

The Commission's investment in capital assets for its governmental activities as of September 30, 2018 totaled \$91,579 (net of accumulated depreciation). This investment in capital assets includes office equipment, office furniture, and leasehold improvements.

During the year ended September 30, 2018, the Commission had no capital additions. Depreciation expense for the year was \$12,591.

Capital Assets

	Governmental Activities	
	2018	2017
Computer equipment	\$ 102,521	\$ 102,521
Office furniture	65,343	65,343
Leasehold improvements	47,722	47,722
Total capital assets	215,586	215,586
Less accumulated depreciation	(136,763)	(124,007)
Total (net of accumulated depreciation)	\$ 78,823	\$ 91,579

Additional information on the Commission's capital assets can be found in Note D of the "Notes to the Financial Statements" of this report.

Long-Term Debt

At the end of the fiscal year, the Commission had total debt outstanding of \$12,927 comprised of compensated absences.

General Economic Overview

The Commission serves thirteen counties through the programs it administers reaching 1.4 million residents. The Commission is dedicated to maintaining services at current levels. This will be accomplished by continuing to seek new initiatives. The Commission is dedicated to servicing all funding sources, both established and new, with a high level of professionalism.

The Commission continues its effort to engage with local, regional and state governments. This is being accomplished by involvement in various committees and projects at all levels of government including the Regional Prosperity Initiative and the 21st Century Infrastructure Asset Management Pilot projects and the newly formed Michigan Infrastructure Council. Starting October 1, 2018, the Commission began serving as fiduciary and chair of the West Michigan Prosperity Alliance (WMPA) and will assist the state in developing a state-wide integrated asset management program.

The Commission is available to assist local governments with local recreation and master plans as well as GIS services. The Commission recently signed a contract with the Michigan Economic Development Corporation (MEDC) to provide technical assistance to communities within our region seeking Redevelopment Ready Community (RRC) designation from the MEDC.

The Commission has served as fiduciary for the Region 6 Homeland Security Planning Board for the past 10 years. The Commission will be terminating its role as fiduciary on May 31, 2019. In its capacity as fiduciary, the Commission has been the conduit through which federal funds pass to the Counties represented by the Region 6 Homeland Security Planning Board. Project applications are submitted to the Commission, evaluated, authorization obtained and payment made. Cash accounts and inventory records have been maintained.

In the Metropolitan Transportation Planning (MPO) area, the Commission assists in the programming of nearly \$30 million annually. The Commission is also involved with the West Michigan Pike Corridor Management Plan development. The Commission will continue to work with local governments, through the Asset Management Program, to rate local roads as requested. This past year the Commission assisted the Michigan Department of Transportation and the Transportation Asset Management Council in conducting a Culvert Data Collection Pilot project. The Commission has an active role in the Rural Task Force. The Commission also plans to expand the information gleaned through the programs we manage to make transportation information readily available on our website, wmsrdc.org.

WEST MICHIGAN SHORELINE REGIONAL DEVELOPMENT COMMISSION

Management's Discussion and Analysis

A major component of the Commission's work program is Environmental Planning. There are several grants and initiatives that will continue into our next fiscal year. These include the West Michigan Regional Watershed Collaborative an initiative of the WMPA, Muskegon River Watershed Reforestation for Water Quality a partnership with the Muskegon River Watershed Assembly, Veterans Memorial Park, Lower Muskegon River Hydrologic Reconnection and Wetland Restoration, Amoco Fish and Wildlife Habitat Restoration, Muskegon Lake Nature Preserve Fish and Wildlife Habitat Restoration, Heritage Landing Resiliency Restoration Project, Ecological Monitoring of Restored Muskegon Lake Habitat, Hemlock Woolly Adelgid Invasive Species Control, Bear Creek Nutrient Reduction/Wetland Restoration, Stormwater/Green Infrastructure Implementation, Coastal Zone Reforestation, Little Flower Creek Fish and Wildlife Habitat and Water Quality Improvements, and Coastal Communities Reforestation. The Commission will continue to serve as staff the Muskegon Lake Watershed Partnership. These projects include working with existing and new partners in West Michigan.

In fiscal year 2017, the Commission received an EDA three year planning grant which will run through December 2019. The Commission continues to implement the recently completed Comprehensive Economic Development Strategy (CEDS). This document is valid through 2022. Staff also continues to work on the expansion of the CEDS committee.

During fiscal year 2018, the Commission signed a Memorandum of Understanding with the Muskegon River Watershed Assembly. It is with a spirit of cooperation that the Commission looks forward to identifying opportunities for additional collaboration between the two agencies.

During fiscal year 2016, the Municipal Employees' Retirement System (MERS) made changes to the assumptions used to determine the net pension liability. Based on the Actuarial report, it became clear that the Commission would soon be underfunded. As a result, the Commission made updates to its pension plan. Management immediately took steps to protect the Commission from a large unfunded accrued liability. Voluntary contributions were started and changes to the pension plan were made that went into effect January 1, 2017. In addition, employee contributions went into effect starting January 1, 2018. With these changes in place, it is expected that the defined benefit pension plan will be a sustainable fringe benefit.

It is expected that the Commission will remain in a stable operation and financial position. The Commission will continuously look for ways to better serve local governments and will seek new revenue streams that will benefit our members counties.

Requests for Information

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the West Michigan Shoreline Regional Development Commission, 316 Morris Avenue, Suite 340, Muskegon, MI 49440-1140, or call (231) 722-7878.

West Michigan Shoreline Regional Development Commission
STATEMENT OF NET POSITION
September 30, 2018

ASSETS

Current assets	
Cash and investments	\$ 439,810
Due from other governmental units	3,783,192
Prepaid items	<u>100</u>
Total current assets	4,223,102
Noncurrent assets	
Capital assets, net	
Depreciable	78,823
Net pension asset	<u>596,105</u>
Total noncurrent assets	<u>674,928</u>
Total assets	4,898,030

DEFERRED OUTFLOWS OF RESOURCES

Related to pension	<u>239,433</u>
Total assets and deferred outflows of resources	5,137,463

LIABILITIES

Current liabilities	
Accounts payable and accrued liabilities	3,358,677
Due to other governmental units	170,914
Unearned revenues - unexpended proceeds of expenditure-driven grants	286,807
Compensated absences	<u>12,927</u>
Total liabilities	3,829,325

DEFERRED INFLOWS OF RESOURCES

Related to pension	<u>356,918</u>
Total liabilities and deferred inflows of resources	<u>4,186,243</u>

NET POSITION

Net investment in capital assets	78,823
Unrestricted	<u>872,397</u>
Total net position	<u><u>\$ 951,220</u></u>

The accompanying notes are an integral part of this statement.

West Michigan Shoreline Regional Development Commission
STATEMENT OF ACTIVITIES
For the year ended September 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities					
Land use planning	\$ 15,680	\$ 4,469	\$ 31,938	\$ -	\$ 11,789
Regional initiatives	29,135	8,770	-	40,148	2,243
Economic development	61,661	18,314	-	84,659	4,684
Transportation planning	529,899	103,874	75,295	562,012	3,534
Environmental clean-up	5,710,471	65,569	23,112	5,782,396	29,468
Homeland Security	938,572	10,555	5,841	952,496	9,210
General administration	211,551	(211,551)	-	-	-
Total governmental activities	<u>\$ 7,496,969</u>	<u>\$ -</u>	<u>\$ 136,186</u>	<u>\$ 7,421,711</u>	60,928
General revenues					
Membership dues					<u>77,370</u>
Change in net position					138,298
Net position at October 1, 2017					<u>812,922</u>
Net position at September 30, 2018					<u><u>\$ 951,220</u></u>

The accompanying notes are an integral part of this statement.

West Michigan Shoreline Regional Development Commission
BALANCE SHEET
 Governmental Fund
 September 30, 2018

	<u>General Operations Fund</u>
ASSETS	
Cash and investments	\$ 439,810
Due from other governmental units	3,783,192
Prepaid items	100
Total assets	<u>\$ 4,223,102</u>
LIABILITIES	
Accounts payable	\$ 3,355,240
Accrued liabilities	3,437
Due to other governmental units	170,914
Unearned revenues - unexpended proceeds of expenditure-driven grants	286,807
Total liabilities	<u>3,816,398</u>
FUND BALANCE	
Nonspendable for prepaid items	100
Unassigned	406,604
Total fund balance	<u>406,704</u>
Total liabilities and fund balance	<u>\$ 4,223,102</u>

The accompanying notes are an integral part of this statement.

West Michigan Shoreline Regional Development Commission
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION**
 September 30, 2018

Total fund balance—governmental fund \$ 406,704

Amounts reported for governmental activities in the Statement of Net Position
 are different because:

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

Cost of capital assets	\$ 215,586	
Accumulated depreciation	<u>(136,763)</u>	78,823

Long-term liabilities in governmental activities are not due and payable in the
 current period and, therefore, are not reported in the governmental fund.

Compensated absences	(12,927)	
Net pension asset and related deferred outflows/inflows of resources	<u>478,620</u>	<u>465,693</u>

Net position of governmental activities		<u><u>\$ 951,220</u></u>
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The accompanying notes are an integral part of this statement.

West Michigan Shoreline Regional Development Commission
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 Governmental Fund
 For the year ended September 30, 2018

	<u>General Operations Fund</u>
REVENUES	
Intergovernmental revenues	
Federal	\$ 7,229,643
State	192,069
Local	<u>213,554</u>
Total revenues	7,635,266
EXPENDITURES	
Current	
Land use planning	21,293
Regional initiatives	40,148
Economic development	84,659
Transportation planning	660,341
Environmental clean-up	5,792,810
Homeland Security	<u>952,496</u>
Total expenditures	<u>7,551,747</u>
Net change in fund balance	83,519
Fund balance at October 1, 2017	<u>323,185</u>
Fund balance at September 30, 2018	<u><u>\$ 406,704</u></u>

The accompanying notes are an integral part of this statement.

West Michigan Shoreline Regional Development Commission
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**
For the year ended September 30, 2018

Net change in fund balance—governmental fund \$ 83,519

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (12,756)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.

Change in compensated absences \$ (397)

Change in net pension asset and related deferred outflows/inflows
of resources 67,932 67,535

Change in net position of governmental activities \$ 138,298

The accompanying notes are an integral part of this statement.

West Michigan Shoreline Regional Development Commission
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of West Michigan Shoreline Regional Development Commission (Commission) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission's accounting policies are described below.

Reporting Entity

The Commission is a voluntary association of the counties of Lake, Mason, Muskegon, Newaygo and Oceana. The Commission was organized to implement and coordinate various area-wide planning functions, to serve as a regional conduit for federal and state grants affecting local governments, to provide professional and technical expertise not readily available to local governments and to operate certain specialty programs affecting multiple governments spread out over a large geographical area. The operations of the Commission are financed primarily by federal, state and local grants and membership contributions. The Commission does not have the power to levy taxes and, accordingly, its level of operations is dependent upon the amount of voluntary membership contributions received that can be used for local matching funds for grant participation programs.

Generally accepted accounting principles require that if the Commission is considered to be financially accountable for other organizations, those organizations should be included as component units in the Commission's financial statements. Since no organizations met this criterion, none are included in the financial statements.

Basis of Presentation—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 Commission. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The Commission has no business-type activities.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

The fund financial statements provide information about the Commission's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Since the Commission has only one fund, no separate columns have been provided.

The Commission reports the following major governmental fund:

The General Operations Fund is used to control the expenditures of various federal, state and local monies distributed to the Commission, to be expended according to various grant and professional service agreements.

West Michigan Shoreline Regional Development Commission
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Membership dues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Investments

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the Commission are reported at fair value (generally based on quoted market prices).

The Commission has adopted an investment policy in compliance with State of Michigan statutes. Those statutes authorize the Commission to invest in obligations of the United States, certificates of deposit, prime commercial paper, securities guaranteed by United States agencies or instrumentalities, United States government or federal agency obligation repurchase agreements, bankers' acceptances, state-approved investment pools and certain mutual funds.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

West Michigan Shoreline Regional Development Commission
NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Capital Assets

Capital assets, which include improvements and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years.

As the Commission constructs or acquires additional capital assets each period they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

<u>Assets</u>	<u>Years</u>
Computer equipment	5
Office furniture	7
Leasehold improvements	6

Defined Benefit Plan

The Commission offers a defined benefit pension plan to its employees through Municipal Employees Retirement System (MERS). The Commission records a net pension liability or asset for the difference between the total pension liability calculated by the actuary and the Plan’s fiduciary net position. For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, 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 net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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 of net position to report as restricted and unrestricted 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 Commission’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

West Michigan Shoreline Regional Development Commission
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Fund Balance Flow Assumptions

Sometimes the Commission 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 Commission'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. The Commission itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Amounts in the assigned fund balance classification are intended to be used by the Commission for specific purposes but do not meet the criteria to be classified as committed. The Board of Directors has by resolution authorized the executive director to assign fund balance. The Board of Directors 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.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All internally dedicated resources are reported as general revenues rather than as program revenues.

Compensated Absences

Commission employees are granted vacation and sick leave in varying amounts based on length of service. Upon termination, employees are paid for unused vacation at their current rates. Sick leave pay does not vest with the employee and is payable only in the event of absences due to illness. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

West Michigan Shoreline Regional Development Commission
NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Indirect Cost Allocation

Indirect costs are distributed to the programs pursuant to a cost allocation plan as required by the OMB Uniform Guidance. Indirect costs are distributed based on direct personnel costs charged to programs.

The Commission submits a request for a provisional rate to its oversight agency at the beginning of each year. This rate is required to be audited. The comparison of the provisional and audited rate for the year ended September 30, 2018 is as follows:

	Provisional Rate	Audited Results
Fringe benefit cost	49.94%	46.66%
Indirect cost	34.63%	28.59%

Computation of the fringe benefit and indirect cost rate is presented on pages 48 and 49 of this report.

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the governmental fund. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by function. The legal level of budgetary control is the functional level. Budgets are also adopted on a project by project basis as a management tool.

Excess of Expenditures over Appropriations

During the year ended September 30, 2018, actual expenditures exceeded appropriations for environmental clean-up by \$385,269 as well as in total by \$169,382 in the General Operations Fund. These overexpenditures were funded with revenues in excess of appropriations.

NOTE C—DEPOSITS AND INVESTMENTS

As of September 30, 2018, the Commission had only cash and cash equivalents.

Deposit and Investment Risks

Interest Rate Risk

The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments in commercial paper and corporate bonds to the two highest classifications issued by nationally recognized statistical rating organizations. The Commission has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Commission does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the Commission investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

West Michigan Shoreline Regional Development Commission
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE C—DEPOSITS AND INVESTMENTS—Continued

Deposit and Investment Risks—Continued

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. As of September 30, 2018, \$436,404 of the Commission's bank balance of \$747,174 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments

The Commission does not have a custodial credit risk policy for investments. This is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Foreign Currency Risk

The Commission is not authorized to invest in investments which have this type of risk.

NOTE D—CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
Capital assets, being depreciated:				
Computer equipment	\$ 102,521	\$ -	\$ -	\$ 102,521
Office furniture	65,343	-	-	65,343
Leasehold improvements	47,722	-	-	47,722
Total capital assets, being depreciated	215,586	-	-	215,586
Less accumulated depreciation:				
Computer equipment	61,875	2,088	-	63,963
Office furniture	52,190	2,714	-	54,904
Leasehold improvements	9,942	7,954	-	17,896
Total accumulated depreciation	124,007	12,756	-	136,763
Capital assets, net	\$ 91,579	\$ (12,756)	\$ -	\$ 78,823

Depreciation expense was charged to functions as follows:

Land use planning	\$ 284
Regional initiatives	557
Economic development	1,162
Transportation planning	6,592
Environmental cleanup	4,161
	\$ 12,756

West Michigan Shoreline Regional Development Commission
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE E—NOTE PAYABLE TO BANK

The Commission has an unsecured revolving line of credit with borrowings limited to \$50,000 and interest payable monthly at the Wall Street Journal prime rate plus one percent. There was no balance outstanding as of September 30, 2018.

NOTE F—LONG-TERM DEBT

Summary of Changes in Long-Term Liabilities

The following is a summary of long-term liabilities activity for the Commission for the year ended September 30, 2018.

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Due Within One Year
Compensated absences	\$ 12,530	\$ 41,489	\$ 41,092	\$ 12,927	\$ 12,927

NOTE G—OTHER INFORMATION

Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission manages its liability and property risk by participating in Michigan Municipal Risk Management Authority (MMRMA), a public entity risk pool providing property and liability coverage to its participating members. The Commission pays an annual premium to MMRMA for its insurance coverage. The MMRMA is self-sustaining through member premiums and provides, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence-based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Various deductibles are maintained to place the responsibility for small charges with the insured. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The Commission carries commercial insurance for workers' compensation and employee health and accident insurances. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Contingent Liabilities

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

West Michigan Shoreline Regional Development Commission
NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE G—OTHER INFORMATION—Continued

Leases

The Commission conducts operations in an office facility under an operating lease that expires in July 2022. The lease requires current monthly rentals of \$4,361. Rent expense was \$51,062 for the year ended September 30, 2018. The Commission also leases an automobile. This lease expense was \$5,999 for the year ended September 30, 2018. The future minimum lease payments for these leases are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2019	\$ 58,591
2020	57,177
2021	55,800
2022	47,662
	<u><u>\$ 219,230</u></u>

NOTE H—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit Pension Plan

Plan Description

The Commission 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.

Benefits Provided

The Commission’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The Plan covers all full-time employees.

Benefits provided by the Plan have a multiplier of 2.25 percent for service prior to December 31, 2016 and 1.5 percent thereafter. The vesting period is ten years. Normal retirement age is 60 with early retirement at 55 with 15 years of service or reduced early retirement at 50 with 25 years of service. Final average compensation is calculated based on 3 years.

West Michigan Shoreline Regional Development Commission
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE H—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Employees Covered by Benefit Terms

At December 31, 2017 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to but not yet receiving benefits	3
Active employees	10
Total employees covered by MERS	22

Contributions

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

For the year ended September 30, 2018, the Commission was not required to contribute to the Plan as it was overfunded. However, the Commission made voluntary contributions of \$38,772 for the year ended September 30, 2018. Effective January 1, 2018, member contributions for the Plan are 6 percent.

Net Pension Liability (Asset)

The Commission’s net pension liability (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.75 percent, in the long-term
Investment rate of return	7.75 percent, net of administrative and investment expenses including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.5 percent long-term wage inflation assumption would be consistent with a price inflation of 3-4 percent. Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50 percent Male and 50 percent Female blend.

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

West Michigan Shoreline Regional Development Commission
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE H—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Actuarial Assumptions—Continued

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

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-Term Expected Real Rate
Global equity	55.5%	8.65%	4.80%	2.50%	3.42%
Global fixed income	18.5%	3.76%	0.70%	2.50%	0.23%
Real assets	13.5%	9.72%	1.31%	2.50%	0.97%
Diversifying strategies	12.5%	7.50%	0.94%	2.50%	0.63%
	<u>100.0%</u>		<u>7.75%</u>		<u>5.25%</u>

Discount Rate

The discount rate used to measure the total pension liability was 8 percent for 2017. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

West Michigan Shoreline Regional Development Commission
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE H—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance at January 1, 2017	\$ 3,870,966	\$ 4,253,881	\$ (382,915)
Changes for the year			
Service cost	44,295	-	44,295
Interest	301,444	-	301,444
Difference between expected and actual experience	59,554	-	59,554
Contributions - employer	-	36,693	(36,693)
Net investment income	-	554,246	(554,246)
Benefit payments including refund of employee contributions	(250,120)	(250,120)	-
Administrative expenses	-	(8,791)	8,791
Other changes	(36,335)	-	(36,335)
Net changes	118,838	332,028	(213,190)
Balance at December 31, 2017	\$ 3,989,804	\$ 4,585,909	\$ (596,105)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Commission, calculated using the discount rate of 8 percent, as well as what the Commission's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (7 percent) or 1-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Commission's net pension liability (asset)	\$ (168,503)	\$ (596,105)	\$ (961,810)

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

West Michigan Shoreline Regional Development Commission
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE H—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

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

For the year ended September 30, 2018, the Commission recognized pension expense of (\$29,160). At September 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 123,205	\$ -
Differences in assumptions	87,149	269,181
Net difference between projected and actual net investment income	-	87,737
Contributions subsequent to the measurement date*	29,079	-
Total	\$ 239,433	\$ 356,918

*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 (asset) for the year September 30, 2019.

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

Year Ending September 30,	Amount
2019	\$ (15,934)
2020	(28,996)
2021	(57,070)
2022	(44,564)

Payables to the Pension Plan

At September 30, 2018, the Commission did not have a payable to the Plan.

Deferred Compensation Plan

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full and part-time Commission employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

The Plan has created a trust for the exclusive benefit of the Plan's participants and beneficiaries under rules provided in Internal Revenue Code Section 401(f).

NOTE I—ECONOMIC DEPENDENCY

The Great Lakes Commission grant accounts for 74 percent of general operations revenue.

REQUIRED SUPPLEMENTARY INFORMATION

West Michigan Shoreline Regional Development Commission
 Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
 General Operations Fund
 For the year ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal	\$ 12,504,992	\$ 6,927,663	\$ 7,229,643	\$ 301,980
State	133,763	133,400	192,069	58,669
Local	342,692	321,302	213,554	(107,748)
Total revenues	12,981,447	7,382,365	7,635,266	252,901
EXPENDITURES				
Current				
Land use planning	27,356	35,985	21,293	14,692
Regional initiatives	125,000	41,605	40,148	1,457
Economic development	74,706	85,095	84,659	436
Transportation planning	726,267	754,309	660,341	93,968
Environmental clean-up	10,740,507	5,407,541	5,792,810	(385,269)
Homeland Security	1,287,611	1,057,830	952,496	105,334
Total expenditures	12,981,447	7,382,365	7,551,747	(169,382)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	83,519	<u>\$ 83,519</u>
Fund balance at October 1, 2017			<u>323,185</u>	
Fund balance at September 30, 2018			<u><u>\$ 406,704</u></u>	

West Michigan Shoreline Regional Development Commission
Required Supplementary Information
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
Last Ten Fiscal Years (Amounts were determined as of December 31 of each fiscal year)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY				
Service cost	\$ 44,295	\$ 67,882	\$ 65,982	\$ 63,978
Interest	301,444	330,996	298,284	284,995
Differences between expected and actual experience	59,554	25,315	164,709	-
Changes of assumptions	-	(538,361)	217,871	-
Benefit payments, including refunds of employee contributions	(250,120)	(236,756)	(215,046)	(162,762)
Other changes	(36,335)	-	-	-
Net change in total pension liability	118,838	(350,924)	531,800	186,211
Total pension liability at beginning of year	3,870,966	4,221,890	3,690,090	3,503,879
Total pension liability at end of year (a)	\$ 3,989,804	\$ 3,870,966	\$ 4,221,890	\$ 3,690,090
PLAN FIDUCIARY NET POSITION				
Contributions-employer	\$ 36,693	\$ 24,000	\$ -	\$ -
Net investment income	554,246	450,126	(63,045)	265,389
Benefit payments, including refunds or employee contributions	(250,120)	(236,756)	(215,046)	(162,762)
Administrative expenses	(8,791)	(8,895)	(9,312)	(9,722)
Net change in plan fiduciary net position	332,028	228,475	(287,403)	92,905
Plan fiduciary net position at beginning of year	4,253,881	4,025,406	4,312,809	4,219,904
Plan fiduciary net position at end of year (b)	\$ 4,585,909	\$ 4,253,881	\$ 4,025,406	\$ 4,312,809
Commission's net pension liability (asset) at end of year (a)-(b)	\$ (596,105)	\$ (382,915)	\$ 196,484	\$ (622,719)
Plan fiduciary net position as a percentage of the total pension liability (asset)	114.94%	109.89%	95.35%	116.88%
Covered employee payroll	\$ 536,904	\$ 550,547	\$ 562,027	\$ 544,956
Commission's net pension liability (asset) as a percentage of covered employee payroll	-111.03%	-69.55%	34.96%	-114.27%

Notes to Schedule

Additional actuarial data is not available and will be provided in subsequent years.

West Michigan Shoreline Regional Development Commission
 Required Supplementary Information
PENSION SYSTEM SCHEDULE OF CONTRIBUTIONS
 Last Ten Fiscal Years (Amounts were determined as of September 30 of each fiscal year)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	38,772	36,000	15,000	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ (38,772)	\$ (36,000)	\$ (15,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 536,904	\$ 550,547	\$ 562,027	\$ 544,956	\$ 620,425	\$ 598,512	\$ 586,336	\$ 568,131	\$ 525,362	\$ 496,850
Contributions as percentage of covered employee payroll	7.2%	6.5%	2.7%	0.0%						

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	21 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increases	3.75 percent
Investment rate of return	7.75 percent, net of investment and administrative expenses
Retirement age	Varies depending on plan adoption
Mortality	50 percent Female/50 percent Male RP-2014 Group Annuity Mortality Table

OTHER SUPPLEMENTAL INFORMATION

West Michigan Shoreline Regional Development Commission
COMBINING CUMULATIVE STATEMENT OF REVENUES AND EXPENDITURES
 General Operations Fund
 As of September 30, 2018

	Land Use Planning					
	Total	GIS 1804	Newaygo County Rec Plan 1916	Golden Twp. Master Plan 1917	Blue Lake Township Master Plan 1998	Blue Lake Township Recreation Plan 1999
Revenues						
Intergovernmental revenues						
Federal	\$ 17,845,660.39	\$ -	\$ -	\$ -	\$ -	\$ -
State	284,331.65	-	-	-	-	-
Local	320,124.85	9,855.99	7,702.75	4,586.83	4,157.93	3,147.01
Total revenues	\$ 18,450,116.89	\$ 9,855.99	\$ 7,702.75	\$ 4,586.83	\$ 4,157.93	\$ 3,147.01
Expenditures						
Personnel	814,187.78	\$ 4,714.17	\$ 3,876.93	\$ 2,248.43	\$ 2,095.86	\$ 1,602.19
Fringe benefits	342,447.56	2,308.62	1,681.30	1,101.10	912.92	714.23
	1,156,635.34	7,022.79	5,558.23	3,349.53	3,008.78	2,316.42
Contractual	16,567,784.59	-	-	-	-	-
Indirect	384,473.25	2,008.09	1,983.03	957.76	1,065.91	1,040.62
Travel	17,097.94	565.73	161.03	272.49	81.17	40.13
Supplies	39,828.23	33.46	-	-	-	-
Other	201,030.73	225.92	0.46	7.05	2.07	2.07
Total expenditures	\$ 18,366,850.08	\$ 9,855.99	\$ 7,702.75	\$ 4,586.83	\$ 4,157.93	\$ 3,399.24

West Michigan Shoreline Regional Development Commission
COMBINING CUMULATIVE STATEMENT OF REVENUES AND EXPENDITURES—CONTINUED
 General Operations Fund
 As of September 30, 2018

	Regional Initiatives		Economic Development	Transportation Planning		
	Infrastructure Asset Management Pilot 2010	Asset Management Pilot— Regional 2011	Economic Development Program 5148	Metropolitan Transportation Program Management 6485	Metropolitan Transportation Data Assistance 6486	Metropolitan Transportation Planning 6487
Revenues						
Intergovernmental revenues						
Federal	\$ 27,981.73	\$ -	\$ 131,941.43	\$ 25,220.45	\$ 75,761.01	\$ 149,505.31
State	-	12,166.47	5,546.96	-	-	-
Local	-	-	19,953.66	5,592.56	16,799.79	33,152.36
Total revenues	\$ 27,981.73	\$ 12,166.47	\$ 157,442.05	\$ 30,813.01	\$ 92,560.80	\$ 182,657.67
Expenditures						
Personnel	\$ 14,523.72	\$ 6,064.59	\$ 79,013.97	\$ 15,478.20	\$ 35,139.34	\$ 92,486.43
Fringe benefits	7,112.55	2,969.95	35,122.22	7,579.98	17,208.42	45,292.42
	21,636.27	9,034.54	114,136.19	23,058.18	52,347.76	137,778.85
Contractual	-	-	-	-	25,061.10	-
Indirect	6,186.67	2,583.33	39,108.51	6,593.25	14,968.30	39,396.45
Travel	158.79	548.14	2,614.13	1,160.17	81.76	2,154.85
Supplies	-	-	112.79	-	100.00	547.19
Other	-	0.46	1,470.43	1.41	1.88	2,780.33
Total expenditures	\$ 27,981.73	\$ 12,166.47	\$ 157,442.05	\$ 30,813.01	\$ 92,560.80	\$ 182,657.67

West Michigan Shoreline Regional Development Commission
COMBINING CUMULATIVE STATEMENT OF REVENUES AND EXPENDITURES—CONTINUED
 General Operations Fund
 As of September 30, 2018

Transportation Planning

	Transit Planning 6488	Areawide Air Quality Improvement Plan 6489	Regional Transportation 6490	Regional Transportation 6491	Rural Transportation Planning 6492	West Michigan Pike 6495	Lake County Road Commission Pass Through 6496
Revenues							
Intergovernmental revenues							
Federal	\$ 32,146.18	\$ 93,177.60	\$ -	\$ -	\$ 11,625.37	\$ -	\$ -
State	-	-	37,360.89	44,432.97	-	3,689.40	39,551.00
Local	7,128.32	24,932.62	-	-	-	10,722.61	-
Total revenues	\$ 39,274.50	\$ 118,110.22	\$ 37,360.89	\$ 44,432.97	\$ 11,625.37	\$ 14,412.01	\$ 39,551.00
Expenditures							
Personnel	\$ 20,294.45	\$ 30,457.44	\$ 16,110.12	\$ 20,904.23	\$ 5,990.11	\$ 7,232.22	\$ -
Fringe benefits	9,938.59	14,880.48	7,889.44	10,237.21	2,933.47	3,220.16	-
	30,233.04	45,337.92	23,999.56	31,141.44	8,923.58	10,452.38	-
Contractual	-	-	-	2,220.43	-	-	-
Indirect	8,644.83	12,963.91	6,862.42	8,904.58	2,551.61	2,988.75	-
Travel	213.14	300.41	53.44	1,086.73	150.18	970.88	-
Supplies	183.49	158.33	-	83.11	-	-	-
Other	-	59,349.65	6,445.47	996.68	-	-	39,551.00
Total expenditures	\$ 39,274.50	\$ 118,110.22	\$ 37,360.89	\$ 44,432.97	\$ 11,625.37	\$ 14,412.01	\$ 39,551.00

West Michigan Shoreline Regional Development Commission
COMBINING CUMULATIVE STATEMENT OF REVENUES AND EXPENDITURES—CONTINUED
 General Operations Fund
 As of September 30, 2018

	<u>Transportation Planning</u>			<u>Environmental Clean-Up</u>			
	Muskegon County Road Commission 6497	Oceana County Road Commission 6498	City of Muskegon Heights 6499	Technical Assistance to the Muskegon River Watershed Partnership 7503	Stormwater, Asset Management, Wastewater Program 7519	NOAA Veterans Park 7520	NOAA Mill Debris 7521
Revenues							
Intergovernmental revenues							
Federal	\$ -	\$ -	\$ -	\$ -	\$ 90,114.73	\$ 3,270,182.25	\$ 3,877,550.91
State	20,172.30	22,810.00	6,560.00	-	80,230.71	-	-
Local	-	-	-	6,127.32	67,341.06	-	-
Total revenues	\$ 20,172.30	\$ 22,810.00	\$ 6,560.00	\$ 6,127.32	\$ 237,686.50	\$ 3,270,182.25	\$ 3,877,550.91
Expenditures							
Personnel	\$ -	\$ -	\$ -	\$ 1,646.17	\$ 14,186.95	\$ 63,683.29	\$ 83,922.48
Fringe benefits	-	-	-	820.02	4,816.63	22,496.72	29,880.59
	-	-	-	2,466.19	19,003.58	86,180.01	113,803.07
Contractual	-	-	-	1,200.00	206,482.95	3,138,066.46	3,715,411.81
Indirect	-	-	-	757.92	7,845.64	33,219.19	40,485.70
Travel	-	-	-	9.44	89.58	508.82	424.23
Supplies	-	-	-	67.00	88.46	913.91	989.65
Other	20,172.30	22,810.00	6,560.00	1,626.77	4,176.29	11,293.86	6,436.45
Total expenditures	\$ 20,172.30	\$ 22,810.00	\$ 6,560.00	\$ 6,127.32	\$ 237,686.50	\$ 3,270,182.25	\$ 3,877,550.91

West Michigan Shoreline Regional Development Commission
COMBINING CUMULATIVE STATEMENT OF REVENUES AND EXPENDITURES—CONTINUED
 General Operations Fund
 As of September 30, 2018

	Environmental Clean-Up						
	NOAA Bear Creek Hydrologic Reconnection and Habitat Restoration 7522	NOAA Lower Muskegon River 7523	Lower Muskegon River Construction 7524	RPI Regional Watershed Collaboration 7528	Bear Creek Watershed Implementation 7530	Muskegon Lake BUI Removal, AOC Transition Planning and Public Improvement 7533	Reforestation Runoff 7534
Revenues							
Intergovernmental revenues							
Federal	\$ 6,941,939.88	\$ 472,048.21	\$ 21,579.95	\$ -	\$ 59,249.92	\$ 21,586.50	\$ 77,162.65
State	-	-	3.25	11,807.70	-	-	-
Local	-	-	-	-	611.54	9,250.14	-
Total revenues	\$ 6,941,939.88	\$ 472,048.21	\$ 21,583.20	\$ 11,807.70	\$ 59,861.46	\$ 30,836.64	\$ 77,162.65
Expenditures							
Personnel	\$ 84,674.42	\$ 52,278.78	\$ 7,733.06	\$ 6,032.66	\$ 11,756.19	\$ 16,158.85	\$ 9,509.62
Fringe benefits	31,337.06	20,395.05	3,628.96	2,616.06	4,370.84	6,377.64	3,747.07
	116,011.48	72,673.83	11,362.02	8,648.72	16,127.03	22,536.49	13,256.69
Contractual	6,777,121.33	362,815.69	6,769.96	-	36,183.15	-	24,926.74
Indirect	42,587.59	25,922.84	3,248.85	3,062.91	6,282.10	8,226.57	4,572.38
Travel	775.49	355.46	-	96.07	424.47	58.52	128.69
Supplies	750.00	687.29	198.65	-	95.12	-	34,169.52
Other	4,693.99	9,593.10	3.72	-	749.59	15.06	108.63
Total expenditures	\$ 6,941,939.88	\$ 472,048.21	\$ 21,583.20	\$ 11,807.70	\$ 59,861.46	\$ 30,836.64	\$ 77,162.65

West Michigan Shoreline Regional Development Commission
COMBINING CUMULATIVE STATEMENT OF REVENUES AND EXPENDITURES—CONTINUED
 General Operations Fund
 As of September 30, 2018

	Environmental Clean-Up					
	Muskegon Lake Urban Runoff Green Infrastructure 7536	Muskegon Lake Habitat Focus Area 7538	Coastal Reforestation Tree Planting 7539	Hemlock Wooley Adelgid 7540	Nature Preserve - Lower Muskegon River 7541	BP Amoco/ City - Lower Muskegon River 7542
Revenues						
Intergovernmental revenues						
Federal	\$ 21,437.95	\$ 58,562.64	\$ 21,700.01	\$ 9,424.48	\$ 212,993.93	\$ 16,988.25
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Total revenues	\$ 21,437.95	\$ 58,562.64	\$ 21,700.01	\$ 9,424.48	\$ 212,993.93	\$ 16,988.25
Expenditures						
Personnel	\$ 9,920.98	\$ 7,003.36	\$ 5,168.64	\$ 5,401.33	\$ 7,287.61	\$ 1,257.44
Fringe benefits	3,998.38	2,931.96	2,162.53	1,860.75	3,051.19	615.79
	13,919.36	9,935.32	7,331.17	7,262.08	10,338.80	1,873.23
Contractual	2,354.73	45,395.10	12,249.34	-	199,629.62	14,573.94
Indirect	4,111.82	2,847.37	2,096.27	2,076.51	2,956.27	535.63
Travel	35.97	7.04	22.29	85.89	65.95	5.45
Supplies	-	373.35	-	-	-	-
Other	1,016.07	4.46	0.94	-	3.29	-
Total expenditures	\$ 21,437.95	\$ 58,562.64	\$ 21,700.01	\$ 9,424.48	\$ 212,993.93	\$ 16,988.25

West Michigan Shoreline Regional Development Commission
COMBINING CUMULATIVE STATEMENT OF REVENUES AND EXPENDITURES—CONTINUED
 General Operations Fund
 As of September 30, 2018

	Environmental Clean-Up	Homeland Security			Other
	AOC Support 18 7543	Homeland Security Grant Program FY 15 Grant 8015	Homeland Security Grant Program FY 16 Grant 8016	Homeland Security Grant Program FY 17 Grant 8017	
Revenues					
Intergovernmental revenues					
Federal	\$ 423.45	\$ 1,268,952.98	\$ 831,964.87	\$ 1,712.30	\$ -
State	-	-	-	-	-
Local	-	5,543.32	-	-	83,519.04
Total revenues	\$ 423.45	\$ 1,274,496.30	\$ 831,964.87	\$ 1,712.30	\$ 83,519.04
Expenditures					
Personnel	\$ 221.04	\$ 35,319.19	\$ 32,461.74	\$ -	\$ -
Fringe benefits	108.25	12,401.23	13,565.40	-	-
	329.29	47,720.42	46,027.14	-	-
Contractual	-	1,204,118.54	769,401.15	1,712.30	-
Indirect	94.16	20,255.56	14,338.71	-	-
Travel	-	1,644.46	1,746.95	-	-
Supplies	-	107.79	169.12	-	-
Other	-	649.53	281.80	-	-
Total expenditures	\$ 423.45	\$ 1,274,496.30	\$ 831,964.87	\$ 1,712.30	\$ -

West Michigan Shoreline Regional Development Commission
COMBINING STATEMENT OF REVENUES AND EXPENDITURES – CURRENT YEAR
 General Operations Fund
 For the year ended September 30, 2018

	Land Use Planning					
	Total	GIS 1804	Newaygo County Rec Plan 1916	Golden Twp. Master Plan 1917	Blue Lake Township Master Plan 1998	Blue Lake Township Recreation Plan 1999
Revenues						
Intergovernmental revenues						
Federal	\$ 7,229,642.85	\$ -	\$ -	\$ -	\$ -	\$ -
State	192,068.96	-	-	-	-	-
Local	213,554.30	9,855.99	3,274.92	4,586.83	1,864.78	1,709.99
Total revenues	\$ 7,635,266.11	\$ 9,855.99	\$ 3,274.92	\$ 4,586.83	\$ 1,864.78	\$ 1,709.99
Expenditures						
Personnel	505,215.82	\$ 4,714.17	\$ 1,685.83	\$ 2,248.43	\$ 951.76	\$ 892.38
Fringe benefits	234,629.28	2,308.62	825.58	1,101.10	466.10	437.02
	739,845.10	7,022.79	2,511.41	3,349.53	1,417.86	1,329.40
Contractual	6,371,297.08	-	-	-	-	-
Indirect	211,551.09	2,008.09	718.11	957.76	405.42	380.13
Travel	11,664.29	565.73	44.94	272.49	41.04	-
Supplies	38,010.22	33.46	-	-	-	-
Other	179,379.29	225.92	0.46	7.05	0.46	0.46
Total expenditures	\$ 7,551,747.07	\$ 9,855.99	\$ 3,274.92	\$ 4,586.83	\$ 1,864.78	\$ 1,709.99

West Michigan Shoreline Regional Development Commission
COMBINING STATEMENT OF REVENUES AND EXPENDITURES – CURRENT YEAR—CONTINUED
 General Operations Fund
 For the year ended September 30, 2018

	<u>Regional Initiatives</u>		<u>Economic Development</u>	<u>Transportation Planning</u>		
	<u>Infrastructure Asset Management Pilot 2010</u>	<u>Asset Management Pilot— Regional 2011</u>	<u>Economic Development Program 5148</u>	<u>Metropolitan Transportation Program Management 6485</u>	<u>Metropolitan Transportation Data Assistance 6486</u>	<u>Metropolitan Transportation Planning 6487</u>
Revenues						
Intergovernmental revenues						
Federal	\$ 27,981.73	\$ -	\$ 84,659.01	\$ 25,220.45	\$ 75,761.01	\$ 149,505.31
State	-	12,166.47	-	-	-	-
Local	-	-	-	5,592.56	16,799.79	33,152.36
Total revenues	\$ 27,981.73	\$ 12,166.47	\$ 84,659.01	\$ 30,813.01	\$ 92,560.80	\$ 182,657.67
Expenditures						
Personnel	\$ 14,523.72	\$ 6,064.59	\$ 42,993.11	\$ 15,478.20	\$ 35,139.34	\$ 92,486.43
Fringe benefits	7,112.55	2,969.95	21,054.57	7,579.98	17,208.42	45,292.42
	21,636.27	9,034.54	64,047.68	23,058.18	52,347.76	137,778.85
Contractual	-	-	-	-	25,061.10	-
Indirect	6,186.67	2,583.33	18,313.77	6,593.25	14,968.30	39,396.45
Travel	158.79	548.14	1,373.67	1,160.17	81.76	2,154.85
Supplies	-	-	44.04	-	100.00	547.19
Other	-	0.46	879.85	1.41	1.88	2,780.33
Total expenditures	\$ 27,981.73	\$ 12,166.47	\$ 84,659.01	\$ 30,813.01	\$ 92,560.80	\$ 182,657.67

West Michigan Shoreline Regional Development Commission
COMBINING STATEMENT OF REVENUES AND EXPENDITURES – CURRENT YEAR—CONTINUED
 General Operations Fund
 For the year ended September 30, 2018

Transportation Planning

	Transit Planning 6488	Areawide Air Quality Improvement Plan 6489	Regional Transportation 6490	Regional Transportation 6491	Rural Transportation Planning 6492	West Michigan Pike 6495	Lake County Road Commission Pass Through 6496
Revenues							
Intergovernmental revenues							
Federal	\$ 32,146.18	\$ 93,177.60	\$ -	\$ -	\$ 11,625.37	\$ -	\$ -
State	-	-	37,360.89	44,432.97	-	3,689.40	39,551.00
Local	7,128.32	24,932.62	-	-	-	10,722.61	-
Total revenues	\$ 39,274.50	\$ 118,110.22	\$ 37,360.89	\$ 44,432.97	\$ 11,625.37	\$ 14,412.01	\$ 39,551.00
Expenditures							
Personnel	\$ 20,294.45	\$ 30,457.44	\$ 16,110.12	\$ 20,904.23	\$ 5,990.11	\$ 7,232.22	\$ -
Fringe benefits	9,938.59	14,880.48	7,889.44	10,237.21	2,933.47	3,220.16	-
	30,233.04	45,337.92	23,999.56	31,141.44	8,923.58	10,452.38	-
Contractual	-	-	-	2,220.43	-	-	-
Indirect	8,644.83	12,963.91	6,862.42	8,904.58	2,551.61	2,988.75	-
Travel	213.14	300.41	53.44	1,086.73	150.18	970.88	-
Supplies	183.49	158.33	-	83.11	-	-	-
Other	-	59,349.65	6,445.47	996.68	-	-	39,551.00
Total expenditures	\$ 39,274.50	\$ 118,110.22	\$ 37,360.89	\$ 44,432.97	\$ 11,625.37	\$ 14,412.01	\$ 39,551.00

West Michigan Shoreline Regional Development Commission
COMBINING STATEMENT OF REVENUES AND EXPENDITURES – CURRENT YEAR—CONTINUED
 General Operations Fund
 For the year ended September 30, 2018

	<u>Transportation Planning</u>			<u>Environmental Clean-Up</u>			
	Muskegon County Road Commission 6497	Oceana County Road Commission 6498	City of Muskegon Heights 6499	Technical Assistance to the Muskegon River Watershed Partnership 7503	Stormwater, Asset Management, Wastewater Program 7519	NOAA Veterans Park 7520	NOAA Mill Debris 7521
Revenues							
Intergovernmental revenues							
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,230,651.68	\$ 2,728,338.60
State	20,172.30	22,810.00	6,560.00	-	-	-	-
Local	-	-	-	825.43	373.07	-	-
Total revenues	\$ 20,172.30	\$ 22,810.00	\$ 6,560.00	\$ 825.43	\$ 373.07	\$ 2,230,651.68	\$ 2,728,338.60
Expenditures							
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,245.37	\$ 35,385.26
Fringe benefits	-	-	-	-	-	4,910.95	14,627.20
	-	-	-	-	-	16,156.32	50,012.46
Contractual	-	-	-	-	-	2,201,042.30	2,663,000.58
Indirect	-	-	-	-	-	4,619.74	14,300.55
Travel	-	-	-	-	-	148.53	78.78
Supplies	-	-	-	-	-	428.39	646.41
Other	20,172.30	22,810.00	6,560.00	825.43	373.07	8,256.40	299.82
Total expenditures	\$ 20,172.30	\$ 22,810.00	\$ 6,560.00	\$ 825.43	\$ 373.07	\$ 2,230,651.68	\$ 2,728,338.60

West Michigan Shoreline Regional Development Commission
COMBINING STATEMENT OF REVENUES AND EXPENDITURES – CURRENT YEAR—CONTINUED
 General Operations Fund
 For the year ended September 30, 2018

	Environmental Clean-Up						
	NOAA Bear Creek Hydrologic Reconnection and Habitat Restoration 7522	NOAA Lower Muskegon River 7523	Lower Muskegon River Construction 7524	RPI Regional Watershed Collaboration 7528	Bear Creek Watershed Implementation 7530	Muskegon Lake BUI Removal, AOC Transition Planning and Public Improvement 7533	Reforestation Runoff 7534
Revenues							
Intergovernmental revenues							
Federal	\$ 217,423.33	\$ 126,517.72	\$ 21,579.95	\$ -	\$ 19,249.50	\$ 2,113.88	\$ 68,452.43
State	-	-	-	5,325.93	-	-	-
Local	-	-	-	-	-	9,215.99	-
Total revenues	\$ 217,423.33	\$ 126,517.72	\$ 21,579.95	\$ 5,325.93	\$ 19,249.50	\$ 11,329.87	\$ 68,452.43
Expenditures							
Personnel	\$ 30,151.01	\$ 24,242.90	\$ 7,733.06	\$ 2,741.19	\$ 2,400.85	\$ 6,260.50	\$ 5,158.84
Fringe benefits	12,971.61	10,339.81	3,628.96	1,342.41	1,175.74	2,532.50	2,047.91
	43,122.62	34,582.71	11,362.02	4,083.60	3,576.59	8,793.00	7,206.75
Contractual	159,606.93	74,542.02	6,769.96	-	14,573.60	-	24,926.74
Indirect	12,330.48	9,888.58	3,248.85	1,167.66	1,022.69	2,514.27	2,060.69
Travel	397.99	22.31	-	74.67	26.16	22.60	86.42
Supplies	378.33	532.23	198.65	-	-	-	34,169.52
Other	1,586.98	6,949.87	0.47	-	50.46	-	2.31
Total expenditures	\$ 217,423.33	\$ 126,517.72	\$ 21,579.95	\$ 5,325.93	\$ 19,249.50	\$ 11,329.87	\$ 68,452.43

West Michigan Shoreline Regional Development Commission
COMBINING STATEMENT OF REVENUES AND EXPENDITURES – CURRENT YEAR—CONTINUED
 General Operations Fund
 For the year ended September 30, 2018

	Environmental Clean-Up					
	Muskegon Lake Urban Runoff Green Infrastructure 7536	Muskegon Lake Habitat Focus Area 7538	Coastal Reforestation Tree Planting 7539	Hemlock Wooley Adelgid 7540	Nature Preserve - Lower Muskegon River 7541	BP Amoco/ City - Lower Muskegon River 7542
Revenues						
Intergovernmental revenues						
Federal	\$ 19,995.41	\$ 58,491.81	\$ 21,700.01	\$ 9,424.48	\$ 212,993.93	\$ 16,988.25
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Total revenues	\$ 19,995.41	\$ 58,491.81	\$ 21,700.01	\$ 9,424.48	\$ 212,993.93	\$ 16,988.25
Expenditures						
Personnel	\$ 9,187.92	\$ 6,967.37	\$ 5,168.64	\$ 5,401.33	\$ 7,287.61	\$ 1,257.44
Fringe benefits	3,712.09	2,917.90	2,162.53	1,860.75	3,051.19	615.79
	12,900.01	9,885.27	7,331.17	7,262.08	10,338.80	1,873.23
Contractual	2,354.73	45,395.10	12,249.34	-	199,629.62	14,573.94
Indirect	3,688.63	2,826.59	2,096.27	2,076.51	2,956.27	535.63
Travel	35.97	7.04	22.29	85.89	65.95	5.45
Supplies	-	373.35	-	-	-	-
Other	1,016.07	4.46	0.94	-	3.29	-
Total expenditures	\$ 19,995.41	\$ 58,491.81	\$ 21,700.01	\$ 9,424.48	\$ 212,993.93	\$ 16,988.25

West Michigan Shoreline Regional Development Commission
COMBINING STATEMENT OF REVENUES AND EXPENDITURES – CURRENT YEAR—CONTINUED
 General Operations Fund
 For the year ended September 30, 2018

	Environmental Clean-Up	Homeland Security			Other
	AOC Support 18 7543	Homeland Security Grant Program FY 15 Grant 8015	Homeland Security Grant Program FY 16 Grant 8016	Homeland Security Grant Program FY 17 Grant 8017	
Revenues					
Intergovernmental revenues					
Federal	\$ 423.45	\$ 236,590.25	\$ 714,193.76	\$ 1,712.30	\$ -
State	-	-	-	-	-
Local	-	-	-	-	83,519.04
Total revenues	\$ 423.45	\$ 236,590.25	\$ 714,193.76	\$ 1,712.30	\$ 83,519.04
Expenditures					
Personnel	\$ 221.04	\$ -	\$ 25,907.38	\$ -	\$ -
Fringe benefits	108.25	-	11,005.65	-	-
	329.29	-	36,913.03	-	-
Contractual	-	236,590.25	664,957.89	1,712.30	-
Indirect	94.16	-	10,554.90	-	-
Travel	-	-	1,407.88	-	-
Supplies	-	-	133.72	-	-
Other	-	-	226.34	-	-
Total expenditures	\$ 423.45	\$ 236,590.25	\$ 714,193.76	\$ 1,712.30	\$ -

West Michigan Shoreline Regional Development Commission
COMPUTATION OF FRINGE BENEFIT RATE
For the year ended September 30, 2018

ACTUAL COST OF FRINGE BENEFITS

Social Security and Medicare payroll taxes	\$ 41,890
Pension contribution	38,772
Health insurance	154,750
Dental insurance	10,778
Vision insurance	1,308
Life insurance	2,369
Michigan unemployment compensation	5,740
Worker's compensation	2,443
Total cost of fringe benefits	<u><u>\$ 258,050</u></u>

COMPUTATION OF ACTUAL FRINGE BENEFIT RATE

Total cost of fringe benefits	\$ 258,050
Gross salaries	<u>553,041</u>
Actual fringe benefit rate	<u><u>46.66 %</u></u>

West Michigan Shoreline Regional Development Commission
COMPUTATION OF INDIRECT COST RATE
For the year ended September 30, 2018

DISTRIBUTABLE INDIRECT COSTS

Salaries and wages	\$ 47,825
Fringe benefits	23,421
Supplies	1,983
Telephone	445
Building rent	51,062
Equipment rent	6,943
Consultants	19,784
Travel	3,308
Dues and subscriptions	10,277
Other	46,503
	\$ 211,551
	\$ 211,551

COMPUTATION OF DIRECT SALARY AND FRINGE BENEFIT BASE

Direct labor dollars	
Gross salaries	\$ 553,041
Less indirect salaries	(47,825)
Total direct labor dollars	505,216
Direct fringe benefit dollars	
Fringe benefits	258,050
Less indirect fringe benefits	(23,421)
Total direct fringe benefit dollars	234,629
Total direct salaries and fringe benefits	\$ 739,845

COMPUTATION OF INDIRECT COST RATE

Indirect cost	\$ 211,551
Direct salaries and fringe benefits	739,845
Indirect cost rate	28.59 %