
**OCEANA COUNTY ROAD COMMISSION
HART, MICHIGAN**

**REPORT ON FINANCIAL STATEMENTS
(with required and other supplementary information)**

YEAR ENDED DECEMBER 31, 2022

BASIC FINANCIAL STATEMENTS

**OCEANA COUNTY ROAD COMMISSION
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 2,760,189
Due from other governmental units	1,809,278
Inventory	<u>714,366</u>
Total current assets	<u>5,283,833</u>
Noncurrent assets	
Capital assets not being depreciated	316,940
Capital assets, net of accumulated depreciation	<u>35,920,851</u>
Total capital assets	<u>36,237,791</u>
TOTAL ASSETS	<u>41,521,624</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to OPEB	<u>102,560</u>
LIABILITIES	
Current liabilities	
Accounts payable	273,504
Accrued liabilities	117,692
Advances from other governmental units	349,815
Current portion of compensated absences	126,909
Current portion of long-term debt	<u>309,178</u>
Total current liabilities	<u>1,177,098</u>
Noncurrent liabilities	
Noncurrent portion of compensated absences	24,713
Noncurrent portion of long-term debt	975,975
Net other post-employment benefits liability	<u>37,763</u>
Total noncurrent liabilities	<u>1,038,451</u>
TOTAL LIABILITIES	<u>2,215,549</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to OPEB	<u>61,728</u>
NET POSITION	
Net investment in capital assets	34,952,638
Unrestricted	<u>4,394,269</u>
TOTAL NET POSITION	<u>\$ 39,346,907</u>

See notes to financial statements.

**OCEANA COUNTY ROAD COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	<u>Governmental Activities</u>
PROGRAM EXPENSES	
Primary road	\$ 3,437,775
Local road	2,855,102
State trunkline	1,703,334
Administrative - net	407,872
Equipment - net	(874,011)
Drains at large	160
Infrastructure depreciation	2,415,208
Interest expense	<u>62,785</u>
 TOTAL PROGRAM EXPENSES	 <u>10,008,225</u>
 PROGRAM REVENUES	
Charges for services	1,850,385
Operating grants and contributions	8,040,180
Capital grants and contributions	<u>6,809,180</u>
 TOTAL PROGRAM REVENUES	 <u>16,699,745</u>
 NET PROGRAM REVENUES	 <u>6,691,520</u>
 GENERAL REVENUES	
Interest	13,673
Miscellaneous	<u>78,376</u>
 TOTAL GENERAL REVENUES	 <u>92,049</u>
 CHANGE IN NET POSITION	 6,783,569
 Net position, beginning of the year	 <u>32,563,338</u>
 Net position, end of the year	 <u><u>\$ 39,346,907</u></u>

See notes to financial statements.

**OCEANA COUNTY ROAD COMMISSION
GOVERNMENTAL FUND
BALANCE SHEET
DECEMBER 31, 2022**

	<u>General Operating Fund</u>
ASSETS	
Cash and cash equivalents	\$ 2,760,189
Due from other governmental units	
State	1,524,260
Local	285,018
Inventory	<u>714,366</u>
TOTAL ASSETS	<u><u>\$ 5,283,833</u></u>
LIABILITIES	
Accounts payable	\$ 273,504
Accrued liabilities	117,692
Advances from other governmental units	<u>349,815</u>
TOTAL LIABILITIES	<u>741,011</u>
FUND BALANCE	
Nonspendable	
Inventory	714,366
Unassigned	<u>3,828,456</u>
TOTAL FUND BALANCE	<u>4,542,822</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 5,283,833</u></u>

See notes to financial statements.

**OCEANA COUNTY ROAD COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022**

Total fund balance - governmental fund **\$ 4,542,822**

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

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

The cost of capital assets is	\$ 65,904,397	
Accumulated depreciation is	<u>(29,666,606)</u>	
Capital assets, net		36,237,791

Governmental funds report actual OPEB expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability as of the measurement date. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual OPEB plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources related to OPEB	102,560	
Deferred inflows of resources related to OPEB	<u>(61,728)</u>	
		40,832

Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Fund Balance Sheet. Long-term liabilities at year-end consist of:

Installment purchase agreements payable	1,285,153	
Compensated absences	151,622	
Net other post-employment benefits liability	<u>37,763</u>	
		<u>(1,474,538)</u>

Net position of governmental activities **\$ 39,346,907**

**OCEANA COUNTY ROAD COMMISSION
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2022**

	<u>General Operating Fund</u>
REVENUES	
Licenses and permits	\$ 57,405
Intergovernmental	14,849,360
Charges for services	1,792,980
Interest	13,673
Other	<u>78,376</u>
TOTAL REVENUES	<u>16,791,794</u>
EXPENDITURES	
Current	
Primary road	8,562,113
Local road	5,541,825
State trunkline	1,703,334
Administrative - net	403,248
Equipment - net	(565,082)
Drain assessment	160
Capital outlay - net	(209,622)
Debt service	<u>169,507</u>
TOTAL EXPENDITURES	<u>15,605,483</u>
NET CHANGE IN FUND BALANCE	1,186,311
Fund balance, beginning of year	<u>3,356,511</u>
Fund balance, end of year	<u><u>\$ 4,542,822</u></u>

**OCEANA COUNTY ROAD COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net change in fund balance - governmental fund **\$ 1,186,311**

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

Capital outlays are reported as expenditures in the governmental fund. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Purchase of capital assets	\$ 8,695,572	
Buildings/equipment depreciation expense	(924,800)	
Infrastructure depreciation expense	<u>(2,415,208)</u>	
 Excess of capital outlay over depreciation expense		 5,355,564

Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources, respectively, in the governmental fund, 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:

Payments on installment purchase agreements		<u>106,651</u>
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Some items 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. These activities consist of:

Increase in deferred outflows of resources related to OPEB	57,818	
Decrease in deferred inflows of resources related to OPEB	53,588	
(Increase) in compensated absences	(30,697)	
Decrease in net other post-employment benefits liability	<u>54,334</u>	
		<u>135,043</u>

Change in net position of governmental activities **\$ 6,783,569**

**OCEANA COUNTY ROAD COMMISSION
FIDUCIARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	<u>Retired Employees Healthcare Trust</u>
ASSETS	
Investments	<u>\$ 649,320</u>
LIABILITIES	<u>-</u>
NET POSITION	
Held in trust for employee benefits	<u><u>\$ 649,320</u></u>

See notes to financial statements.

**OCEANA COUNTY ROAD COMMISSION
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022**

	<u>Retired Employees Healthcare Trust</u>
ADDITIONS	
Contributions	
Employer	\$ 172,212
Investment earnings	
Net (decrease) in fair value of investments	<u>(77,406)</u>
TOTAL ADDITIONS	<u>94,806</u>
DEDUCTIONS	
Administration fees	3,003
Benefits	<u>72,212</u>
TOTAL DEDUCTIONS	<u>75,215</u>
CHANGE IN NET POSITION	19,591
NET POSITION HELD IN TRUST FOR RETIRED EMPLOYEES HEALTHCARE BENEFITS	
Beginning of year	<u>629,729</u>
End of year	<u><u>\$ 649,320</u></u>