



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

PUBLIC NOTICE OF ELECTRONIC MEETING OF THE MICHIGAN MUNICIPAL SERVICES AUTHORITY

PLEASE NOTE: THIS NOTICE IS GIVEN AND PUBLISHED PURSUANT TO SECTION 1 (e) OF EXECUTIVE ORDER 2020-48 ISSUED BY GRETCHEN WHITMER, GOVERNOR FOR THE STATE OF MICHIGAN.

The Executive Committee of the Michigan Municipal Services Authority is meeting electronically as a result of the Covid-19 virus pursuant to law and the mandates of Executive Order 2020-59 issued by Governor Gretchen Whitmer.

The **Executive Committee of the Michigan Municipal Services Authority** will hold a regular meeting on the following date and at the following time:

<u>Date</u>	<u>Time</u>
Thursday, May 14, 2020	1:30 PM

Refer to the MMSA's website to view the complete Agenda and Packet for the meeting.

Specific instructions for public participation via a webinar will be posted on the MMSA's

website: <http://michiganmsa.org/>

The meeting is open to the public and this notice is provided under the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

The meeting location is barrier-free and accessible to individuals with special needs. Individuals needing special accommodations or assistance to attend or address the meeting should contact the Authority at (248) 925-9295 prior to the meeting to assure compliance with Subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, and 42 USC 12131 to 12134.

A copy of the proposed meeting minutes will be available for public inspection at the principal office of the Authority within 8 business days. A copy of the approved minutes of the meeting, including any corrections, will be available for public inspection at the principal office of the Authority within 5 business days after approval.



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE
REGULAR MEETING**

Thursday, May 14, 2020 at 1:30 PM

Capitol View Building
201 Townsend St Suite 900
Lansing, MI 48933

AGENDA

- I. Call to Order**
- II. Roll Call**
- III. Approval of Agenda**
- IV. Approval of Minutes**
 - a. Minutes of the March 11, 2020 Executive Committee meeting
 - b. Minutes of the March 19, 2020 Executive Committee meeting
- V. Administrative Report**
 - a. FMS Project Update
 - b. LCSA Update & Legislation
- VI. New Business**
 - a. Resolution 2020-01 2019-2020 Budget Amendment
 - b. 2020-2021 Proposed Budget Discussion
 - c. Resolution 2020-02 FY 2020-2021 Budget Time Schedule
 - d. Resolution 2020-03 FY 2020-2021 Budget Notice
 - e. 2018-2019 Audit
 - f. Audit Services Proposal
 - g. SSDC Proposal
- VII. Public Comment**

A copy of the proposed minutes of the meeting will be available for public inspection at the principal office of the Authority within 8 business days. A copy of the approved minutes of the meeting, including any corrections, will be available for public inspection at the principal office of the Authority within 5 business days after approval.

VIII. Other Business

IX. Adjournment



Michigan Municipal Services Authority
PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE
REGULAR MEETING**

Wednesday, March 11, 2020 9:00 am

Capital View Building
Constitution Room – 9th Floor
201 Townsend Street
Lansing, MI 48933

MINUTES

Proposed Minutes Approved

MEETING TYPE: Regular Special

I. Call to Order

The meeting was called to order at 9:10 AM.

II. Roll Call

Executive Committee Member Attendance:

	PRESENT	ABSENT
Kelli Scott, Chairperson	X	
James Cambridge, Secretary		X
Eric DeLong, Treasurer	X	
Dominick Pallone, Member	X	
Doug Smith, Member	X	

*Participated via teleconference.

Other attendees:

- Steven Liedel, Dykema
- Shea Charles, MMSA
- Kristen Delaney, MMSA

III. Approval of Agenda

None

IV. Approval of Minutes

None

V. Administrative Report

None

VI. New Business

a. Visioning Session

CEO Charles delivered his presentation. Charles thanked everyone for their time and contributions. He stated that the overarching question is: do we think the MMSA is viable? The short answer is yes.

Charles stated that the most pressing issue facing the MMSA right now is the future of the agreement with CGI and the revenue that comes from this agreement. He stated that Kent County may likely stop working with CGI and Grand Rapids is in the process of deciding.

Bertolini stated that he works for a company that partners with CGI and, as a result, cannot be involved in any voting decisions in regard to CGI. Liedel confirmed that as a member of Authority Board, Bertolini will not be able to vote on anything related to CGI.

Smith stated that origins of the MMSA was to assist small and mid-sized communities, but ended up helping larger municipalities with programs like the ERP software with CGI.

DeLong noted that he has experience working in smaller community. He stated that these are the communities that MMSA could truly help. He suggested that the MMSA be a personal shopping service, similar to the Amazon of small government. Whether you need an HR policy or to purchase something come to the MMSA for assistance.

Bertolini concurred but asked how the MMSA could monetize this?

Scott stated that small, rural townships do a lot of purchasing but not a lot of it cooperatively. Bertolini stated that they can do that now without assistance from the MMSA. He noted that it was built into Oakland County contracts that other communities could participate. Why use MMSA?

Charles stated that it all goes back to trust and being a trusted resource.

Also there needs to be a realization that initial programs will not be revenue generators.

The board discussed a potential program the MMSA could work on, finding staffing for positions that smaller communities have difficulty filling. Smith noted that there are private companies that are already providing this service, but at a substantial cost. Bertolini if you're going to "build a bench" you're going to have to pay for it and it will be expensive.

Bertolini stated that in his opinion if we pursue a program like this, we will need someone steeped in public finance on our team. The MMSA would have liability to oversee and make sure that work is being done correctly.

DeLong noted that one service the MMSA could provide that would be useful, is helping communities digitize information.

Smith asked what the current administration's view of MMSA was. Liedel stated that, generally, MMSA is not on the current administration's radar. He noted that he visited with the governor's office about a potential program for MMSA. Liedel thinks that there is an opportunity for the MMSA to assist with workers compensation. Currently there are two options: buy insurance or self-insure. Governments can create self-insurance pools and MMSA could play a role.

Charles reviewed the options he had outlined in his report. If the decision is to discontinue the MMSA, the biggest factor to be addressed was devising a plan to adequately cover our responsibilities to the LCSA.

Bertolini stated that he has always loved the concept of the MMSA and noted that there is so much potential if it is done right. He personally believes that the ERP was the wrong project to start on. He stated that we need quick wins, a 30/60/90 day plan with achievable goals. Bertolini went on to state that if we can't achieve those wins within 90 days then why do it?

Smith stated that he thought it was important to build relationships with organizations like MAC and MTA. Do they really want to be part of it, and can we attract the right person to be CEO for a year? There was a discussion about extending Charles' contract. Charles noted that he would be in favor of that.

DeLong stated that the board needs priorities outlined since it sounds like they are all in favor of Option #1 – continuing the MMSA understanding potential negative revenue impacts.

DeLong stated that he thought that they should follow Liedel's lead in regards to programming. He noted that Liedel found them the opportunity with the LCSA, and he thinks that it is worth it for the MMSA to pursue the

workers comp idea. DeLong stated that he thinks there is also an opportunity to partner with Treasury and the early warning system, working with communities before they become distressed. He likes the idea of getting back to the original “city in a box concept”.

Bertolini stated that in his opinion, the cooperative purchasing is an easy project and an instant reputation builder, revenue or not. A quick win that the MMSA needs.

Smith concurred that it makes sense to be partners with Treasury and there may be a partnership opportunity with Redevelopment Ready Communities and Fiscally Ready Communities.

Bertolini said that there were also good ideas in Charles’ presentation and he thinks that many of them are viable.

Moy noted that the MEDC has grant money and that some of these projects may be eligible for a grant?

Charles stated that the next pressing issue is the audit which will be presented at the next meeting.

DeLong asked for a report to summarize what came of these meeting and next steps that will be taken.

Liedel stated that the board may need to all call in for future meetings per Dykema’s coronavirus protocols.

VII. Public Comment

None.

VIII. Other Business

None

IX. Adjournment

Motion to adjourn meeting at 11:20 AM.

Moved by: DeLong

Supported by: Pallone

Yes: X No: ___

Certification of Minutes

Approved by the Executive Committee on May 14, 2020.

Authority Secretary



Michigan Municipal Services Authority
PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE
REGULAR MEETING**

Thursday, March 19, 2020 at 1:30 p.m.

Capital View Building
Constitution Room – 9th Floor
201 Townsend Street
Lansing, MI 48933

MINUTES

Proposed Minutes Approved

MEETING TYPE: Regular Special

I. Call to Order

The meeting was called to order at 1:40 PM.

II. Roll Call

Executive Committee Member Attendance:

	PRESENT	ABSENT
Kelli Scott, Chairperson*	X	
James Cambridge, Secretary		X
Eric DeLong, Treasurer*	X	
Dominick Pallone, Member*	X	
Doug Smith, Member*	X	

*Participated via teleconference.

Other attendees:

- Steven Liedel, Dykema
- Shea Charles, MMSA*
- Kristen Delaney, MMSA*

III. Approval of Agenda

Moved by: Pallone
Supported by: Smith

Yes: X No: ___

IV. Approval of Minutes

a. Minutes of the January 9, 2020 regular Executive Committee meeting

Moved by: Smith
Supported by: Pallone

Yes: X No: ___

V. Administrative Report

CEO Charles delivered the administrative report. FMS is still in a holding pattern with both parties going back and forth with CGI. Charles noted that METRO Act calculations are a little behind but on track. Scott requested that Charles forward PPT payment numbers to board members when he gets them.

VI. New Business

a. CEO Contract Extension

Liedel reviewed the proposed amendment to Charles' contract.

Moved by: Smith
Supported by: Pallone

Yes: X No: ___

Ayes Nays

DeLong
Pallone
Scott
Smith

VII. Public Comment

None.

VIII. Other Business

None.

IX. Adjournment

Motion to adjourn the meeting at 2:11 PM.

Moved by: DeLong

Supported by: Pallone

Yes: X No:

Certification of Minutes

Approved by the Executive Committee on May 14, 2020.

Authority Secretary

Date



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

DATE: May 8, 2020
TO: Executive Committee
FROM: Shea Charles, CEO
SUBJECT: May Report

I am pleased to submit my report of MMSA activities for the last few months.

Monthly Financials

Please find attached monthly financial reports for the months of December, January, February, March and April. At this time, we have not received any revenue in FMS as CGI has not billed Grand Rapids or Kent County.

FMS/CGI

The onset COVID has stalled CGI's migration negotiations with Grand Rapids and Kent County. CGI has expressed a desire to renew these discussions but understands neither organizations is ready yet. There are every other week calls on outstanding issues and some progress is being made on outstanding task list.

LCSA Administrative Update

MMSA staff has been working over the last two months on the 2020 METRO Act cycle. Invoices totaling \$26,807,825.12 were issued March 22nd with a due date of April 29th, by May 1st the LCSA had received \$25,567,994.50. When combined with previous year's late payments a total disbursement of \$27,346,700.92 will be issued by May 29th to eligible municipalities.

The May PPT reimbursement will be issued May 20th and expect to have calculations from Treasury by May 11th. Preliminary reports are this year's May amounts will be similar to last year's payments.

The LCSA will review their proposed budget May 15th. One concern is their annual appropriation as part of the PPT legislation. Under the enabling legislation Treasury & LCSA must distribute the entire fiscal year approbation by May 20th. If the Senate does not approve the

pending legislation prior to distribution the LCSA will not receive an appropriation this year. TI is possible future legislation could address this issue. The LCSA does have a fund balance of \$608,373, so it can continue operations this year.

MMSA Next steps

Progress on the MMSA visiting plan discussed on March 11th has not moved forward as quickly as I had hoped due to the pandemic. I have been discussing different program options with partners, but many are in a holding pattern. From the March 11th work session the following areas were identified.

Topic	Partner	Status
Reaffirm support for MMSA by its founding members	<ul style="list-style-type: none"> • City of Livonia • City of Grand Rapids • State of Michigan. 	<ul style="list-style-type: none"> • On hold • On hold, Molly Clarin as been appointed CFO, need confirmation she will assume Jeff Dood’s spot • On hold
Upon reaffirmation look to host a facilitated visioning session with the Board, stakeholders and representatives from the State of Michigan.	<ul style="list-style-type: none"> • City of Livonia • City of Grand Rapids • State of Michigan • MML, MTA, MAC • Other partners? 	On hold
Realignment of the MMSA Board	<ul style="list-style-type: none"> • MML • MTA • MAC 	<ul style="list-style-type: none"> • MML has given verbal approval to participate • MTA conversation will occur May 12th. • MAC – will attempt contact this week.
Identify Board replacements for Livonia Representatives	City of Livonia	On hold – will attempt to begin contact this week.
Initiate formal cooperative agreements with Oakland County’s G2G Marketplace, MAC’s CoPro	Oakland County MiDeal MAC	<ul style="list-style-type: none"> • In conversations with G2G Representative. • Will initiate conversations with MAC & MiDeal this week.
Begin comprehensive marketing effort of MMSA to local governments		Identified marketing person who will be able to assist in this effort. Additional information to be provided at meeting.
MASIA Insurance Pool (suggested by Steve Liedel)		On hold

In addition to these tasks I have been involved with numerous conversations with MML representatives and other municipal leaders trying to develop potential programs in response to the pandemic and aftereffects. Potential programs include:

- MMSA services to assist with community reopening plans (modeling on work done by City of Ferndale & City of Mason). The MMSA would help write these plans using a template for a set amount of \$250-\$500.
- Assisting communities with securing reimbursements for COVID related expenses through either the State of Michigan's CARES allocation or FEMA. This would involve a partnership with MML, MTA and MAC.
- Preparing a pre-configured remote meeting technology package for communities. This may involve a partnership with G2G.
- Providing financial analysis assistance to communities. With this program we would look to partner to with outside resources.

This past week I took a call from a County DPW Board representative discussing if MMSA could assist with water and wastewater staffing. What the pandemic revealed is operations with small staffs are easily impacted. The Board has begun a very high level conversation about pooling all the operational staff. We discussed how MMSA could assist from simply being an employer to hosting an additional authority structure. I expect these conversations will continue throughout the summer. Many communities have labor contract language prohibiting privatization which is can be an impediment to shared services. As the MMSA is a governmental entity it may be able to assist with overcoming this challenge.



Plante & Moran, PLLC
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

January 10, 2020

To: Shea Charles, CEO
Michigan Municipal Services Authority (MMSA) Board of Directors

Re: December 2019 Monthly Statements

Enclosed are the following Monthly Statements for your review:

1. Revenue & Expenditure Report – General Fund
2. Revenue & Expenditure Report – Financial Management System Fund
3. Revenue & Expenditure Report – All Funds
4. Balance Sheet
5. Check Register
6. Bank Account Reconciliation
7. Bank Statement

Fiscal Year Ending September 30, 2019 balances are still in draft form and subject to change in conjunction with the audit. Audit fieldwork is scheduled to begin on February 17, 2020.

Please contact Kari Shea (248-223-3287) or Kelly Schimmoeller (734-302-6456) with any questions.

Thank you.

Disclaimer: These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
As of December 31, 2019

	Year Ending	Year Ending		Year To Date	% BDGT
	09/30/2019	09/30/2020	09/30/2020	12/31/2019	
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET	YTD BALANCE	
Revenue					
671000 - Contract Revenue	150,000	150,000	150,000	37,500	25.00 %
Total Revenue	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>37,500</u>	<u>25.00 %</u>
Expenses					
Salary and Fringes					
701000 - Personal Services	152,089	200,000	200,000	43,759	21.88 %
718000 - Insurance - Health	0	0	0	1,258	0.00 %
Total Salary and Fringes	<u>152,089</u>	<u>200,000</u>	<u>200,000</u>	<u>45,017</u>	<u>22.51 %</u>
Operating					
752000 - Office Expense	0	0	0	411	0.00 %
801000 - Office Rent	0	0	0	450	0.00 %
802000 - Legal	13,519	18,000	18,000	4,318	23.99 %
803000 - Accounting	14,930	16,000	16,000	3,269	20.43 %
803500 - Audit	10,600	11,000	11,000	0	0.00 %
804000 - Bank Service Charges	2,311	2,500	2,500	79	3.14 %
805000 - HR and Benefits Consulting	12,133	16,000	16,000	0	0.00 %
840000 - Insurance	2,160	2,781	2,781	1,512	54.40 %
861000 - Mileage Reimbursement	0	0	0	1,301	0.00 %
910000 - Professional Development	1,170	1,560	1,560	0	0.00 %
913000 - Conference Expenses	0	0	0	50	0.00 %
955000 - Miscellaneous	10,954	12,000	12,000	734	6.12 %
Total Operating	<u>67,777</u>	<u>79,841</u>	<u>79,841</u>	<u>12,124</u>	<u>15.18 %</u>
Total Expenses	<u>219,866</u>	<u>279,841</u>	<u>279,841</u>	<u>57,141</u>	<u>20.42 %</u>
Revenue in Excess of Expenses	<u>(69,866)</u>	<u>(129,841)</u>	<u>(129,841)</u>	<u>(19,641)</u>	<u>15.13 %</u>
Transfers					
699273 - Interfund Transfer In - FMS	119,637	122,922	122,922	0	0.00 %
Total Transfers	<u>119,637</u>	<u>122,922</u>	<u>122,922</u>	<u>0</u>	<u>0.00 %</u>
Change in Equity	<u><u>49,771</u></u>	<u><u>(6,919)</u></u>	<u><u>(6,919)</u></u>	<u><u>(19,641)</u></u>	<u><u>283.87 %</u></u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
 As of December 31, 2019

There is no activity in
 this fund as of
 12/31/2019

	Year Ending 09/30/2019 END BALANCE	Year Ending 09/30/2020 ORIGINAL BUDGET	AMENDED BUDGET
Revenue			
671000 - Contract Revenue	1,885,941	1,889,620	1,889,620
Total Revenue	1,885,941	1,889,620	1,889,620
Expenses			
Operating			
801000 - Professional and Contractual Services	1,766,304	1,766,698	1,766,698
Total Operating	1,766,304	1,766,698	1,766,698
Total Expenses	1,766,304	1,766,698	1,766,698
Revenue in Excess of Expenses	119,637	122,922	122,922
Transfers			
995101 - Transfer Out - GF	(119,637)	122,922	122,922
Total Transfers	(119,637)	122,922	122,922
Change in Equity	0	245,844	245,844

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Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
As of December 31, 2019

	Year Ending	Year Ending		Year To Date	% BDGT
	09/30/2019	09/30/2020	09/30/2020	12/31/2019	
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET	YTD BALANCE	
Revenue					
671000 - Contract Revenue	2,035,941	2,039,620	2,039,620	37,500	1.84 %
Total Revenue	<u>2,035,941</u>	<u>2,039,620</u>	<u>2,039,620</u>	<u>37,500</u>	<u>1.84 %</u>
Expenses					
Salary and Fringes					
701000 - Personal Services	152,089	200,000	200,000	43,759	21.88 %
718000 - Insurance - Health	0	0	0	1,258	0.00 %
Total Salary and Fringes	<u>152,089</u>	<u>200,000</u>	<u>200,000</u>	<u>45,017</u>	<u>22.51 %</u>
Operating					
752000 - Office Expense	0	0	0	411	0.00 %
801000 - Office Rent	1,766,304	1,766,698	1,766,698	450	0.03 %
802000 - Legal	13,519	18,000	18,000	4,318	23.99 %
803000 - Accounting	14,930	16,000	16,000	3,269	20.43 %
803500 - Audit	10,600	11,000	11,000	0	0.00 %
804000 - Bank Service Charges	2,311	2,500	2,500	79	3.14 %
805000 - HR and Benefits Consulting	12,133	16,000	16,000	0	0.00 %
840000 - Insurance	2,160	2,781	2,781	1,512	54.40 %
861000 - Mileage Reimbursement	0	0	0	1,301	0.00 %
910000 - Professional Development	1,170	1,560	1,560	0	0.00 %
913000 - Conference Expenses	0	0	0	50	0.00 %
955000 - Miscellaneous	10,954	12,000	12,000	734	6.12 %
Total Operating	<u>1,834,081</u>	<u>1,846,539</u>	<u>1,846,539</u>	<u>12,124</u>	<u>0.66 %</u>
Total Expenses	<u>1,986,170</u>	<u>2,046,539</u>	<u>2,046,539</u>	<u>57,141</u>	<u>2.79 %</u>
Revenue in Excess of Expenses	<u>49,771</u>	<u>(6,919)</u>	<u>(6,919)</u>	<u>(19,641)</u>	<u>283.87 %</u>
Transfers					
699273 - Interfund Transfer In - FMS	119,637	122,922	122,922	0	0.00 %
995101 - Transfer Out - GF	(119,637)	122,922	122,922	0	0.00 %
Total Transfers	<u>0</u>	<u>245,844</u>	<u>245,844</u>	<u>0</u>	<u>0.00 %</u>
Change in Equity	<u>49,771</u>	<u>238,925</u>	<u>238,925</u>	<u>(19,641)</u>	<u>(8.22) %</u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority COMPARATIVE BALANCE SHEET

	PERIOD ENDED 09/30/2019	PERIOD ENDED 12/31/2019	CHANGE	% CHANGE
ASSETS				
Current Assets				
Bank Accounts	258,277	276,342	18,065	6.99 %
Other Current Assets				
040000 - Accounts Receivable	40,092	0	(40,092)	(100.00) %
123000 - Prepaid Expenses	2,063	0	(2,063)	(100.00) %
Total Other Assets	42,155	0	(42,155)	(100.00) %
Total Current Assets	300,432	276,342	(24,090)	(8.01) %
TOTAL ASSETS	300,432	276,342	(24,090)	(8.01) %
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
202000 - Accounts Payable	2,791	0	(2,791)	(100.00) %
Total Accounts Payable	2,791	0	(2,791)	(100.00) %
Other Current Liabilities				
257000 - Accrued Salaries Wages	1,658	0	(1,658)	(100.00) %
Total Other Current Liabilities	1,658	0	(1,658)	(100.00) %
Total Current Liabilities	4,449	0	(4,449)	(100.00) %
Total Liabilities	4,449	0	(4,449)	(100.00) %
Equity				
390000 - Fund Balance - Unassigned	246,212	295,983	49,771	20.21 %
Net Revenue	49,771	(19,641)	(69,412)	(139.46) %
Total Equity	295,983	276,342	(19,641)	(6.63) %
TOTAL LIABILITIES AND EQUITY	300,432	276,342	(24,090)	(8.01) %

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Created on: 01/02/2020, 7:03 PM EDT

Michigan Municipal Services Authority Check Register

Date	Payee	Document No	Amount Cleared
Bank: Bill.com Clearing - Bill.com Clearing		Account No:	
12/04/2019	10024--Frontal Lobe		150.00 In Transit
12/05/2019	10005--BCBSM		838.88 In Transit
12/09/2019	10005--BCBSM		419.44 In Transit
12/24/2019	10025--Reid S. Charles II		766.39 In Transit
12/24/2019	10002--Plante Moran		2,511.54 In Transit
12/24/2019	10009--Kristen Delaney		8.33 In Transit
12/24/2019	10003--Dykema Gossett, PLLC		2,271.15 In Transit
12/31/2019	10009--Kristen Delaney		186.00 In Transit
Total for Bill.com Clearing			7,151.73
Bank: Fifth Third - 1244 - Firth Third		Account No: 7169301244	
12/11/2019	10015--Gusto		2,171.93 12/31/2019
12/24/2019	10015--Gusto		2,171.93 12/31/2019
Total for Fifth Third - 1244			4,343.86

Michigan Municipal Services Authority Reconciliation Report

As Of 12/31/2019
Account: 5/3 Checking

Statement Ending Balance	276,341.71
Deposits in Transit	0.00
Outstanding Checks and Charges	0.00
Adjusted Bank Balance	276,341.71
Book Balance	276,341.71
Adjustments*	0.00
Adjusted Book Balance	276,341.71

Total Checks and Charges Cleared	22,138.19	Total Deposits Cleared	0.00
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Deposits

Name	Memo	Date	Doc No	Cleared	In Transit
Total Deposits				0.00	0.00

Checks and Charges

Name	Memo	Date	Check No	Cleared	Outstanding
Gusto	November 2019 Invoice	11/30/2019		51.00	
General Ledger Entry		12/04/2019		150.00	
General Ledger Entry		12/05/2019		838.88	
General Ledger Entry		12/09/2019		419.44	
Gusto	12-12-19.19 Payroll	12/11/2019		2,171.93	
General Ledger Entry	12.12.19 Payroll	12/11/2019		5,289.04	
General Ledger Entry		12/24/2019		5,557.41	
General Ledger Entry	12.26.19 Payroll	12/24/2019		5,289.04	
Gusto	12.26.19 Payroll	12/24/2019		2,171.93	
	December Bank Fee	12/31/2019		13.52	
General Ledger Entry		12/31/2019		186.00	
Total Checks and Charges				22,138.19	0.00



Statement Period Date: 12/1/2019 - 12/31/2019
 Account Type: COMM'L 53 ANALYZED
 Account Number: [REDACTED]

MICHIGAN MUNICIPAL SERVICE
 200 TOWNSEND ST STE 900
 LANSING MI 48933



0

Banking Center: Grand Rapids
 Banking Center Phone: 616-653-5440
 Commercial Client Services: 866-475-0729

5656

Account Summary - [REDACTED]

12/01	Beginning Balance	\$298,479.90	Number of Days in Period	31
	Checks			
11	Withdrawals / Debits	\$(22,138.19)		
	Deposits / Credits			
12/31	Ending Balance	\$276,341.71		

Withdrawals / Debits

11 items totaling \$22,138.19

Date	Amount	Description
12/03	51.00	GUSTO 6semjm4r8gp FEE 955929 6semjo332il MICHIGAN MUNICIPAL SER 120319
12/04	150.00	Bill.com Payables 016EYMFXI18YXVU Michigan Municipal Ser Frontal Lobe Bill.com 016EYMFXI18YXVU Inv #1724 120419
12/05	838.88	Bill.com Payables 016XJEBXW18ZLQQ Michigan Municipal Ser BCBSM Bill.com 016XJEBXW18ZLQQ Inv #096762222 120519
12/09	419.44	Bill.com Payables 016XORSIO193F8P Michigan Municipal Ser BCBSM Bill.com 016XORSIO193F8P Inv #098267965 120919
12/11	2,171.93	GUSTO 6semjm4rt3j TAX 977011 6semjo3nu8k MICHIGAN MUNICIPAL SER 121119
12/11	5,289.04	GUSTO 6semjm4rt3h NET 977009 6semjo3nu8d MICHIGAN MUNICIPAL SER 121119
12/12	13.52	SERVICE CHARGE
12/24	2,171.93	GUSTO 6semjm4uk92 TAX 066274 6semjo4q363 MICHIGAN MUNICIPAL SER 122419
12/24	5,289.04	GUSTO 6semjm4uk90 NET 066272 6semjo4q35e MICHIGAN MUNICIPAL SER 122419
12/24	5,557.41	Bill.com Payables 016EHYZNV19OBDX Michigan Municipal Ser Multiple Payments Bill.com Payables 016EHYZNV19OBDX 122419
12/31	186.00	Bill.com Payables 016SXMKRC19V77J Michigan Municipal Ser Kristen Delaney Bill.com 016SXMKRC19V77J multiple invoices 123119

Daily Balance Summary

Date	Amount	Date	Amount	Date	Amount
12/03	298,428.90	12/09	297,020.58	12/24	276,527.71
12/04	298,278.90	12/11	289,559.61	12/31	276,341.71
12/05	297,440.02	12/12	289,546.09		



Plante & Moran, PLLC
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

February 14, 2020

To: Shea Charles, CEO
Michigan Municipal Services Authority (MMSA) Board of Directors

Re: January 2020 Monthly Statements

Enclosed are the following Monthly Statements for your review:

1. Revenue & Expenditure Report – General Fund
2. Revenue & Expenditure Report – Financial Management System Fund
3. Revenue & Expenditure Report – All Funds
4. Balance Sheet
5. Check Register
6. Bank Account Reconciliation
7. Bank Statement

Fiscal Year Ending September 30, 2019 balances are still in draft form and subject to change in conjunction with the audit. Audit fieldwork is scheduled to begin on February 17, 2020.

Please contact Kari Shea (248-223-3287) or Kelly Schimmoeller (734-302-6456) with any questions.

Thank you.

Disclaimer: These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.



Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
As of January 31, 2020

	Year Ending	Year Ending		Year To Date	% BDGT
	09/30/2019	09/30/2020	09/30/2020	01/31/2020	
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET	YTD BALANCE	
Revenue					
671000 - Contract Revenue	150,000	150,000	150,000	75,000	50.00 %
Total Revenue	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>75,000</u>	<u>50.00 %</u>
Expenses					
Salary and Fringes					
701000 - Personal Services	152,089	200,000	200,000	59,056	29.53 %
718000 - Insurance - Health	0	0	0	1,686	0.00 %
Total Salary and Fringes	<u>152,089</u>	<u>200,000</u>	<u>200,000</u>	<u>60,742</u>	<u>30.37 %</u>
Operating					
752000 - Office Expense	0	0	0	442	0.00 %
801000 - Office Rent	0	0	0	450	0.00 %
802000 - Legal	13,519	18,000	18,000	6,827	37.93 %
803000 - Accounting	14,930	16,000	16,000	4,171	26.07 %
803500 - Audit	10,600	11,000	11,000	0	0.00 %
804000 - Bank Service Charges	2,311	2,500	2,500	108	4.33 %
805000 - HR and Benefits Consulting	12,133	16,000	16,000	0	0.00 %
840000 - Insurance	2,160	2,781	2,781	3,599	129.40 %
861000 - Mileage Reimbursement	0	0	0	1,839	0.00 %
910000 - Professional Development	1,170	1,560	1,560	0	0.00 %
913000 - Conference Expenses	0	0	0	50	0.00 %
955000 - Miscellaneous	10,954	12,000	12,000	823	6.86 %
Total Operating	<u>67,777</u>	<u>79,841</u>	<u>79,841</u>	<u>18,309</u>	<u>22.93 %</u>
Total Expenses	<u>219,866</u>	<u>279,841</u>	<u>279,841</u>	<u>79,051</u>	<u>28.25 %</u>
Revenue in Excess of Expenses	<u>(69,866)</u>	<u>(129,841)</u>	<u>(129,841)</u>	<u>(4,051)</u>	<u>3.12 %</u>
Transfers					
699273 - Interfund Transfer In - FMS	119,637	122,922	122,922	0	0.00 %
Total Transfers	<u>119,637</u>	<u>122,922</u>	<u>122,922</u>	<u>0</u>	<u>0.00 %</u>
Change in Equity	<u>49,771</u>	<u>(6,919)</u>	<u>(6,919)</u>	<u>(4,051)</u>	<u>58.56 %</u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
 As of January 31, 2020

There is no activity in this
fund as of 1/31/2020

	Year Ending 09/30/2019	Year Ending 09/30/2020	
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET
Revenue			
671000 - Contract Revenue	1,885,941	1,889,620	1,889,620
Total Revenue	<u>1,885,941</u>	<u>1,889,620</u>	<u>1,889,620</u>
Expenses			
Operating			
801000 - Office Rent	1,766,304	1,766,698	1,766,698
Total Operating	<u>1,766,304</u>	<u>1,766,698</u>	<u>1,766,698</u>
Total Expenses	<u>1,766,304</u>	<u>1,766,698</u>	<u>1,766,698</u>
Revenue in Excess of Expenses	<u>119,637</u>	<u>122,922</u>	<u>122,922</u>
Transfers			
995101 - Transfer Out - GF	(119,637)	122,922	122,922
Total Transfers	<u>(119,637)</u>	<u>122,922</u>	<u>122,922</u>
Change in Equity	<u><u>0</u></u>	<u><u>245,844</u></u>	<u><u>245,844</u></u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
As of January 31, 2020

	Year Ending	Year Ending		Year To Date	% BDGT
	09/30/2019	09/30/2020	09/30/2020	01/31/2020	
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET	YTD BALANCE	
Revenue					
671000 - Contract Revenue	2,035,941	2,039,620	2,039,620	75,000	3.68 %
Total Revenue	<u>2,035,941</u>	<u>2,039,620</u>	<u>2,039,620</u>	<u>75,000</u>	<u>3.68 %</u>
Expenses					
Salary and Fringes					
701000 - Personal Services	152,089	200,000	200,000	59,056	29.53 %
718000 - Insurance - Health	0	0	0	1,686	0.00 %
Total Salary and Fringes	<u>152,089</u>	<u>200,000</u>	<u>200,000</u>	<u>60,742</u>	<u>30.37 %</u>
Operating					
752000 - Office Expense	0	0	0	442	0.00 %
801000 - Office Rent	1,766,304	1,766,698	1,766,698	450	0.03 %
802000 - Legal	13,519	18,000	18,000	6,827	37.93 %
803000 - Accounting	14,930	16,000	16,000	4,171	26.07 %
803500 - Audit	10,600	11,000	11,000	0	0.00 %
804000 - Bank Service Charges	2,311	2,500	2,500	108	4.33 %
805000 - HR and Benefits Consulting	12,133	16,000	16,000	0	0.00 %
840000 - Insurance	2,160	2,781	2,781	3,599	129.40 %
861000 - Mileage Reimbursement	0	0	0	1,839	0.00 %
910000 - Professional Development	1,170	1,560	1,560	0	0.00 %
913000 - Conference Expenses	0	0	0	50	0.00 %
955000 - Miscellaneous	10,954	12,000	12,000	823	6.86 %
Total Operating	<u>1,834,081</u>	<u>1,846,539</u>	<u>1,846,539</u>	<u>18,309</u>	<u>0.99 %</u>
Total Expenses	<u>1,986,170</u>	<u>2,046,539</u>	<u>2,046,539</u>	<u>79,051</u>	<u>3.86 %</u>
Revenue in Excess of Expenses	<u>49,771</u>	<u>(6,919)</u>	<u>(6,919)</u>	<u>(4,051)</u>	<u>58.56 %</u>
Transfers					
699273 - Interfund Transfer In - FMS	119,637	122,922	122,922	0	0.00 %
995101 - Transfer Out - GF	(119,637)	122,922	122,922	0	0.00 %
Total Transfers	<u>0</u>	<u>245,844</u>	<u>245,844</u>	<u>0</u>	<u>0.00 %</u>
Change in Equity	<u>49,771</u>	<u>238,925</u>	<u>238,925</u>	<u>(4,051)</u>	<u>(1.70) %</u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority COMPARATIVE BALANCE SHEET

	PERIOD ENDED 09/30/2019	PERIOD ENDED 01/31/2020	CHANGE	% CHANGE
ASSETS				
Current Assets				
Bank Accounts	258,277	291,236	32,959	12.76 %
Other Current Assets				
040000 - Accounts Receivable	40,092	0	(40,091)	(100.00) %
123000 - Prepaid Expenses	2,063	695	(1,368)	(66.29) %
Total Other Assets	42,155	695	(41,459)	(98.35) %
Total Current Assets	300,432	291,931	(8,500)	(2.82) %
TOTAL ASSETS	300,432	291,931	(8,500)	(2.82) %
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
202000 - Accounts Payable	2,791	0	(2,791)	(100.00) %
Total Accounts Payable	2,791	0	(2,791)	(100.00) %
Other Current Liabilities				
257000 - Accrued Salaries Wages	1,658	0	(1,658)	(100.00) %
Total Other Current Liabilities	1,658	0	(1,658)	(100.00) %
Total Current Liabilities	4,449	0	(4,449)	(100.00) %
Total Liabilities	4,449	0	(4,449)	(100.00) %
Equity				
390000 - Fund Balance - Unassigned	246,212	295,983	49,771	20.21 %
Net Revenue	49,771	(4,052)	(53,822)	(108.14) %
Total Equity	295,983	291,931	(4,051)	(1.36) %
TOTAL LIABILITIES AND EQUITY	300,432	291,931	(8,500)	(2.82) %

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Created on: 02/03/2020, 1:15 PM EDT

Michigan Municipal Services Authority Check Register

Date	Payee	Document No	Amount Cleared
Bank: Bill.com Clearing - Bill.com Clearing		Account No:	
01/03/2020	10005--BCBSM		427.28 In Transit
01/29/2020	10025--Reid S. Charles II		425.90 In Transit
01/29/2020	10009--Kristen Delaney		205.33 In Transit
01/29/2020	10006--Robert J. Bruner Jr.		28.00 In Transit
01/29/2020	10011--The Cincinnati Insurance Company		2,781.00 In Transit
01/29/2020	10002--Plante Moran		901.31 In Transit
01/29/2020	10003--Dykema Gossett, PLLC		2,509.50 In Transit
Total for Bill.com Clearing			7,278.32
Bank: Fifth Third - 1244 - Fifth Third		Account No: 7169301244	
01/03/2020	10015--Gusto		51.00 01/31/2020
01/07/2020	10015--Gusto		2,332.82 01/31/2020
01/21/2020	10015--Gusto		2,321.62 01/31/2020
Total for Fifth Third - 1244			4,705.44

Michigan Municipal Services Authority Reconciliation Report

As Of 01/31/2020
Account: 5/3 Checking

Statement Ending Balance	291,236.23
Deposits in Transit	0.00
Outstanding Checks and Charges	0.00
Adjusted Bank Balance	291,236.23
Book Balance	291,236.23
Adjustments*	0.00
Adjusted Book Balance	291,236.23

Total Checks and Charges Cleared	22,605.48	Total Deposits Cleared	37,500.00
----------------------------------	-----------	------------------------	-----------

Deposits

Name	Memo	Date	Doc No	Cleared	In Transit
General Ledger Entry	Record LCSA Pmt - 2nd Qtr	01/31/2020		37,500.00	
Total Deposits				37,500.00	0.00

Checks and Charges

Name	Memo	Date	Check No	Cleared	Outstanding
Gusto	December 2019 Invoice	01/03/2020		51.00	
General Ledger Entry		01/03/2020		427.28	
General Ledger Entry	01.09.20 Payroll	01/07/2020		5,295.89	
Gusto	01-09-2020 Payroll	01/07/2020		2,332.82	
Gusto	01-23-2020 Payroll	01/21/2020		2,321.62	
General Ledger Entry	01.23.20 Payroll	01/21/2020		5,295.90	
General Ledger Entry		01/29/2020		6,851.04	
	January 2020 Service Charge	01/31/2020		29.93	
Total Checks and Charges				22,605.48	0.00



Statement Period Date: 1/1/2020 - 1/31/2020
 Account Type: COMM'L 53 ANALYZED
 Account Number: [REDACTED]



MICHIGAN MUNICIPAL SERVICE
 200 TOWNSEND ST STE 900
 LANSING MI 48933



0

Banking Center: Grand Rapids
 Banking Center Phone: 616-653-5440
 Commercial Client Services: 866-475-0729

5127

Account Summary - [REDACTED]

01/01	Beginning Balance	\$276,341.71	Number of Days in Period	31
	Checks			
8	Withdrawals / Debits	\$(22,605.48)		
1	Deposits / Credits	\$37,500.00		
01/31	Ending Balance	\$291,236.23		

Withdrawals / Debits

8 items totaling \$22,605.48

Date	Amount	Description
01/03	51.00	GUSTO 6semjm507ub FEE 119179 6semjo5km0r MICHIGAN MUNICIPAL SER 010320
01/03	427.28	Bill.com Payables 016TJOFJR19Z34G Michigan Municipal Ser BCBSM Bill.com 016TJOFJR19Z34G Inv #99584829 010320
01/08	2,332.82	GUSTO 6semjm50ni3 TAX 135171 6semjo631u8 MICHIGAN MUNICIPAL SER 010820
01/08	5,295.89	GUSTO 6semjm50ni1 NET 135169 6semjo631tr MICHIGAN MUNICIPAL SER 010820
01/13	29.93	SERVICE CHARGE
01/22	2,321.62	GUSTO 6semjm525ei TAX 182162 6semjo79pj2 MICHIGAN MUNICIPAL SER 012220
01/22	5,295.90	GUSTO 6semjm525ee NET 182158 6semjo79pil MICHIGAN MUNICIPAL SER 012220
01/29	6,851.04	Bill.com Payables 016DWNQFW1AVRMF Michigan Municipal Ser Multiple Payments Bill.com Payables 016DWNQFW1AVRMF 012920

Deposits / Credits

1 item totaling \$37,500.00

Date	Amount	Description
01/29	37,500.00	Local Community Bill.com 016RUOLQD1AV3Z5 Michigan Municipal Ser Local Community Stabilization Authority Bill.com 016RUOLQD1AV3Z5 Inv #F

Daily Balance Summary

Date	Amount	Date	Amount	Date	Amount
01/03	275,863.43	01/13	268,204.79	01/29	291,236.23
01/08	268,234.72	01/22	260,587.27		

FIFTH THIRD CHANGED THE WAY WE CALCULATE OVERDRAFTS FOR BUSINESS AND RETAIL ACCOUNT TYPES, EFFECTIVE NOVEMBER 14, 2019. THE CALCULATION CHANGE DOES NOT AFFECT YOUR COMMERCIAL ACCOUNT TYPES. IF YOU HAVE QUESTIONS, PLEASE CONTACT YOUR RELATIONSHIP MANAGER OR THE COMMERCIAL SERVICE SUPPORT CENTER AT 866-475-0729, MONDAY THROUGH FRIDAY, 7 A.M. TO 10 P.M., EST.



Plante & Moran, PLLC
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

March 13, 2020

To: Shea Charles, CEO
Michigan Municipal Services Authority (MMSA) Board of Directors

Re: February 2020 Monthly Statements

Enclosed are the following Monthly Statements for your review:

1. Revenue & Expenditure Report – General Fund
2. Revenue & Expenditure Report – Financial Management System Fund
3. Revenue & Expenditure Report – All Funds
4. Balance Sheet
5. Check Register
6. Bank Account Reconciliation
7. Bank Statement

Fiscal Year Ending September 30, 2019 balances are still in draft form and subject to change in conjunction with the audit. Audit fieldwork began on February 17, 2020.

Please contact Kari Shea (248-223-3287) or Kelly Schimmoeller (734-302-6456) with any questions.

Thank you.

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Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
As of February 29, 2020

	Year Ending	Year Ending		Year To Date	% BDGT
	09/30/2019	09/30/2020	09/30/2020	02/29/2020	
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET	YTD BALANCE	
Revenue					
671000 - Contract Revenue	150,000	150,000	150,000	75,000	50.00 %
Total Revenue	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>75,000</u>	<u>50.00 %</u>
Expenses					
Salary and Fringes					
701000 - Personal Services	152,089	200,000	200,000	74,094	37.05 %
718000 - Insurance - Health	0	0	0	1,686	0.00 %
Total Salary and Fringes	<u>152,089</u>	<u>200,000</u>	<u>200,000</u>	<u>75,780</u>	<u>37.89 %</u>
Operating					
752000 - Office Expense	0	0	0	773	0.00 %
801500 - Office Rent	0	0	0	2,070	0.00 %
802000 - Legal	13,519	18,000	18,000	9,742	54.12 %
803000 - Accounting	14,930	16,000	16,000	5,841	36.50 %
803500 - Audit	10,600	11,000	11,000	0	0.00 %
804000 - Bank Service Charges	2,311	2,500	2,500	150	6.00 %
805000 - HR and Benefits Consulting	12,133	16,000	16,000	0	0.00 %
840000 - Insurance	2,160	2,781	2,781	3,598	129.40 %
861000 - Mileage Reimbursement	0	0	0	2,316	0.00 %
910000 - Professional Development	1,170	1,560	1,560	1,645	105.45 %
913000 - Conference Expenses	0	0	0	615	0.00 %
955000 - Miscellaneous	10,954	12,000	12,000	882	7.34 %
Total Operating	<u>67,777</u>	<u>79,841</u>	<u>79,841</u>	<u>27,632</u>	<u>34.61 %</u>
Total Expenses	<u>219,866</u>	<u>279,841</u>	<u>279,841</u>	<u>103,412</u>	<u>36.95 %</u>
Revenue in Excess of Expenses	<u>(69,866)</u>	<u>(129,841)</u>	<u>(129,841)</u>	<u>(28,412)</u>	<u>21.88 %</u>
Transfers					
699273 - Interfund Transfer In - FMS	119,637	122,922	122,922	0	0.00 %
Total Transfers	<u>119,637</u>	<u>122,922</u>	<u>122,922</u>	<u>0</u>	<u>0.00 %</u>
Change in Equity	<u><u>49,771</u></u>	<u><u>(6,919)</u></u>	<u><u>(6,919)</u></u>	<u><u>(28,412)</u></u>	<u><u>410.63 %</u></u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
 As of February 29, 2020

There is no activity in this
 fund as of 2/29/2020

	Year Ending 09/30/2019	Year Ending 09/30/2020	
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET
Revenue			
671000 - Contract Revenue	1,885,941	1,889,620	1,889,620
Total Revenue	<u>1,885,941</u>	<u>1,889,620</u>	<u>1,889,620</u>
Expenses			
Operating			
801000 - Professional and Contractual Services	1,766,304	1,766,698	1,766,698
Total Operating	<u>1,766,304</u>	<u>1,766,698</u>	<u>1,766,698</u>
Total Expenses	<u>1,766,304</u>	<u>1,766,698</u>	<u>1,766,698</u>
Revenue in Excess of Expenses	<u>119,637</u>	<u>122,922</u>	<u>122,922</u>
Transfers			
995101 - Transfer Out - GF	(119,637)	122,922	122,922
Total Transfers	<u>(119,637)</u>	<u>122,922</u>	<u>122,922</u>
Change in Equity	<u>0</u>	<u>245,844</u>	<u>245,844</u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
As of February 29, 2020

	Year Ending 09/30/2019	Year Ending 09/30/2020		Year To Date 02/29/2020	% BDGT
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET	YTD BALANCE	
Revenue					
671000 - Contract Revenue	2,035,941	2,039,620	2,039,620	75,000	3.68 %
Total Revenue	<u>2,035,941</u>	<u>2,039,620</u>	<u>2,039,620</u>	<u>75,000</u>	<u>3.68 %</u>
Expenses					
Salary and Fringes					
701000 - Personal Services	152,089	200,000	200,000	74,094	37.05 %
718000 - Insurance - Health	0	0	0	1,686	0.00 %
Total Salary and Fringes	<u>152,089</u>	<u>200,000</u>	<u>200,000</u>	<u>75,780</u>	<u>37.89 %</u>
Operating					
752000 - Office Expense	0	0	0	773	0.00 %
801000 - Professional and Contractual Services	1,766,304	1,766,698	1,766,698	0	0.00 %
801500 - Office Rent	0	0	0	2,070	0.00 %
802000 - Legal	13,519	18,000	18,000	9,742	54.12 %
803000 - Accounting	14,930	16,000	16,000	5,841	36.50 %
803500 - Audit	10,600	11,000	11,000	0	0.00 %
804000 - Bank Service Charges	2,311	2,500	2,500	150	6.00 %
805000 - HR and Benefits Consulting	12,133	16,000	16,000	0	0.00 %
840000 - Insurance	2,160	2,781	2,781	3,598	129.40 %
861000 - Mileage Reimbursement	0	0	0	2,316	0.00 %
910000 - Professional Development	1,170	1,560	1,560	1,645	105.45 %
913000 - Conference Expenses	0	0	0	615	0.00 %
955000 - Miscellaneous	10,954	12,000	12,000	882	7.34 %
Total Operating	<u>1,834,081</u>	<u>1,846,539</u>	<u>1,846,539</u>	<u>27,632</u>	<u>1.50 %</u>
Total Expenses	<u>1,986,170</u>	<u>2,046,539</u>	<u>2,046,539</u>	<u>103,412</u>	<u>5.05 %</u>
Revenue in Excess of Expenses	<u>49,771</u>	<u>(6,919)</u>	<u>(6,919)</u>	<u>(28,412)</u>	<u>410.63 %</u>
Transfers					
699273 - Interfund Transfer In - FMS	119,637	122,922	122,922	0	0.00 %
995101 - Transfer Out - GF	(119,637)	122,922	122,922	0	0.00 %
Total Transfers	<u>0</u>	<u>245,844</u>	<u>245,844</u>	<u>0</u>	<u>0.00 %</u>
Change in Equity	<u>49,771</u>	<u>238,925</u>	<u>238,925</u>	<u>(28,412)</u>	<u>(11.89) %</u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority COMPARATIVE BALANCE SHEET

	PERIOD ENDED 09/30/2019	PERIOD ENDED 02/29/2020	CHANGE	% CHANGE
ASSETS				
Current Assets				
Bank Accounts	258,277	266,876	8,599	3.32 %
Other Current Assets				
040000 - Accounts Receivable	40,092	0	(40,092)	(100.00) %
123000 - Prepaid Expenses	2,063	695	(1,367)	(66.29) %
Total Other Assets	42,155	695	(41,459)	(98.35) %
Total Current Assets	300,432	267,571	(32,860)	(10.93) %
TOTAL ASSETS	300,432	267,571	(32,860)	(10.93) %
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
202000 - Accounts Payable	2,791	0	(2,791)	(100.00) %
Total Accounts Payable	2,791	0	(2,791)	(100.00) %
Other Current Liabilities				
257000 - Accrued Salaries Wages	1,658	0	(1,658)	(100.00) %
Total Other Current Liabilities	1,658	0	(1,658)	(100.00) %
Total Current Liabilities	4,449	0	(4,449)	(100.00) %
Total Liabilities	4,449	0	(4,449)	(100.00) %
Equity				
390000 - Fund Balance - Unassigned	246,212	295,983	49,771	20.21 %
Net Revenue	49,771	(28,412)	(78,182)	(157.08) %
Total Equity	295,983	267,571	(28,411)	(9.59) %
TOTAL LIABILITIES AND EQUITY	300,432	267,571	(32,860)	(10.93) %

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Created on: 03/03/2020, 10:52 AM EDT

Michigan Municipal Services Authority Check Register

Date	Payee	Document No	Amount Cleared
	Bank: Bill.com Clearing - Bill.com Clearing	Account No:	
02/12/2020	10025--Reid S. Charles II		1,502.01 In Transit
02/12/2020	10026--Advocate Solutions, LLC		1,645.00 In Transit
02/12/2020	10009--Kristen Delaney		78.33 In Transit
02/12/2020	10002--Plante Moran		1,669.95 In Transit
02/12/2020	10003--Dykema Gossett, PLLC		2,915.15 In Transit
02/18/2020	10003--Dykema Gossett, PLLC		1,470.00 In Transit
	Total for Bill.com Clearing		9,280.44
	Bank: Fifth Third - 1244 - Firth Third	Account No: 7169301244	
02/03/2020	10015--Gusto		51.00 02/29/2020
02/06/2020	10015--Gusto		2,197.63 02/29/2020
02/18/2020	10015--Gusto		2,197.63 02/29/2020
	Total for Fifth Third - 1244		4,446.26

Michigan Municipal Services Authority Reconciliation Report

As Of 02/29/2020
Account: 5/3 Checking

Statement Ending Balance	266,876.10
Deposits in Transit	0.00
Outstanding Checks and Charges	0.00
Adjusted Bank Balance	266,876.10
Book Balance	266,876.10
Adjustments*	0.00
Adjusted Book Balance	266,876.10

Total Checks and Charges Cleared	24,360.13	Total Deposits Cleared	0.00
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Deposits

Name	Memo	Date	Doc No	Cleared	In Transit
Total Deposits				0.00	0.00

Checks and Charges

Name	Memo	Date	Check No	Cleared	Outstanding
Gusto	January 2020 Invoice	02/03/2020		51.00	
Gusto	02-02-2020 Payroll	02/06/2020		2,197.63	
General Ledger Entry	02.06.20 Payroll	02/06/2020		5,295.90	
General Ledger Entry		02/12/2020		7,810.44	
Gusto	02-20-2020 Payroll	02/18/2020		2,197.63	
General Ledger Entry		02/18/2020		1,470.00	
General Ledger Entry	02.20.20 Payroll	02/18/2020		5,295.90	
	Feb 2020 Bank Fee	02/29/2020		41.63	
Total Checks and Charges				24,360.13	0.00



Statement Period Date: 2/1/2020 - 2/29/2020
 Account Type: COMM'L 53 ANALYZED
 Account Number: [REDACTED]

MICHIGAN MUNICIPAL SERVICE
 200 TOWNSEND ST STE 900
 LANSING MI 48933



0

Banking Center: Grand Rapids
 Banking Center Phone: 616-653-5440
 Commercial Client Services: 866-475-0729

5102

Account Summary - [REDACTED]

02/01	Beginning Balance	\$291,236.23	Number of Days in Period	29
	Checks			
8	Withdrawals / Debits	\$(24,360.13)		
	Deposits / Credits			
02/29	Ending Balance	\$266,876.10		

Withdrawals / Debits 8 items totaling \$24,360.13

Date	Amount	Description
02/04	51.00	GUSTO 6semjm5423p FEE 244281 6semjo8d4rb MICHIGAN MUNICIPAL SER 020420
02/05	2,197.63	GUSTO 6semjm5477a TAX 249514 6semjo8ktt9 MICHIGAN MUNICIPAL SER 020520
02/05	5,295.90	GUSTO 6semjm54777 NET 249511 6semjo8ktt3 MICHIGAN MUNICIPAL SER 020520
02/12	7,810.44	Bill.com Payables 016MSFOGW1BDRFT Michigan Municipal Ser Multiple Payments Bill.com Payables 016MSFOGW1BDRFT 021220
02/12	41.63	SERVICE CHARGE
02/18	1,470.00	Bill.com Payables 016VHDAKR1BJJMB Michigan Municipal Ser Dykema Gossett PLLC Bill.com 016VHDAKR1BJJMB Inv #3306901 021820
02/19	2,197.63	GUSTO 6semjm56573 TAX 312995 6semjo9mncv MICHIGAN MUNICIPAL SER 021920
02/19	5,295.90	GUSTO 6semjm56570 NET 312992 6semjo9mncf MICHIGAN MUNICIPAL SER 021920

Daily Balance Summary

Date	Amount	Date	Amount	Date	Amount
02/04	291,185.23	02/12	275,839.63	02/19	266,876.10
02/05	283,691.70	02/18	274,369.63		

[REDACTED]



Plante & Moran, PLLC
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

April 10, 2020

To: Shea Charles, CEO
Michigan Municipal Services Authority (MMSA) Board of Directors

Re: March 2020 Monthly Statements

Enclosed are the following Monthly Statements for your review:

1. Revenue & Expenditure Report – General Fund
2. Revenue & Expenditure Report – Financial Management System Fund
3. Revenue & Expenditure Report – All Funds
4. Balance Sheet
5. Check Register
6. Bank Account Reconciliation
7. Bank Statement

Please contact Kari Shea (248-223-3287) or Kelly Schimmoeller (734-302-6456) with any questions.

Thank you.

Disclaimer: These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
As of March 31, 2020

	Year Ending	Year Ending		Year To Date	% BDGT
	09/30/2019	09/30/2020	09/30/2020	03/31/2020	
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET	YTD BALANCE	
Revenue					
671000 - Contract Revenue	150,000	150,000	150,000	75,000	50.00 %
Total Revenue	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>75,000</u>	<u>50.00 %</u>
Expenses					
Salary and Fringes					
701000 - Personal Services	152,089	200,000	200,000	89,070	44.54 %
718000 - Insurance - Health	0	0	0	3,120	0.00 %
Total Salary and Fringes	<u>152,089</u>	<u>200,000</u>	<u>200,000</u>	<u>92,190</u>	<u>46.10 %</u>
Operating					
752000 - Office Expense	0	0	0	793	0.00 %
801500 - Office Rent	0	0	0	2,220	0.00 %
802000 - Legal	13,519	18,000	18,000	9,742	54.12 %
803000 - Accounting	14,930	16,000	16,000	6,772	42.32 %
803500 - Audit	10,600	11,000	11,000	0	0.00 %
804000 - Bank Service Charges	2,311	2,500	2,500	211	8.41 %
805000 - HR and Benefits Consulting	12,133	16,000	16,000	0	0.00 %
840000 - Insurance	2,160	2,781	2,781	3,623	130.30 %
861000 - Mileage Reimbursement	0	0	0	2,687	0.00 %
910000 - Professional Development	1,170	1,560	1,560	1,645	105.45 %
913000 - Conference Expenses	0	0	0	615	0.00 %
955000 - Miscellaneous	10,954	12,000	12,000	882	7.34 %
Total Operating	<u>67,777</u>	<u>79,841</u>	<u>79,841</u>	<u>29,190</u>	<u>36.56 %</u>
Total Expenses	<u>219,866</u>	<u>279,841</u>	<u>279,841</u>	<u>121,380</u>	<u>43.37 %</u>
Revenue in Excess of Expenses	<u>(69,866)</u>	<u>(129,841)</u>	<u>(129,841)</u>	<u>(46,380)</u>	<u>35.72 %</u>
Transfers					
699273 - Interfund Transfer In - FMS	119,637	122,922	122,922	0	0.00 %
Total Transfers	<u>119,637</u>	<u>122,922</u>	<u>122,922</u>	<u>0</u>	<u>0.00 %</u>
Change in Equity	<u>49,771</u>	<u>(6,919)</u>	<u>(6,919)</u>	<u>(46,380)</u>	<u>670.32 %</u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
As of March 31, 2020

	Year Ending	Year Ending		Year To Date	% BDGT
	09/30/2019	09/30/2020	09/30/2020	03/31/2020	
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET	YTD BALANCE	
Revenue					
671000 - Contract Revenue	1,885,941	1,889,620	1,889,620	0	0.00 %
Total Revenue	<u>1,885,941</u>	<u>1,889,620</u>	<u>1,889,620</u>	<u>0</u>	<u>0.00 %</u>
Expenses					
Operating					
801000 - Professional and Contractual Services	1,766,304	1,766,698	1,766,698	698	0.04 %
Total Operating	<u>1,766,304</u>	<u>1,766,698</u>	<u>1,766,698</u>	<u>698</u>	<u>0.04 %</u>
Total Expenses	<u>1,766,304</u>	<u>1,766,698</u>	<u>1,766,698</u>	<u>698</u>	<u>0.04 %</u>
Revenue in Excess of Expenses	<u>119,637</u>	<u>122,922</u>	<u>122,922</u>	<u>(698)</u>	<u>(0.57) %</u>
Transfers					
995101 - Transfer Out - GF	(119,637)	122,922	122,922	0	0.00 %
Total Transfers	<u>(119,637)</u>	<u>122,922</u>	<u>122,922</u>	<u>0</u>	<u>0.00 %</u>
Change in Equity	<u><u>0</u></u>	<u><u>245,844</u></u>	<u><u>245,844</u></u>	<u><u>(698)</u></u>	<u><u>(0.28) %</u></u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
As of March 31, 2020

	Year Ending 09/30/2019	Year Ending 09/30/2020		Year To Date 03/31/2020	% BDGT
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET	YTD BALANCE	
Revenue					
671000 - Contract Revenue	2,035,941	2,039,620	2,039,620	75,000	3.68 %
Total Revenue	<u>2,035,941</u>	<u>2,039,620</u>	<u>2,039,620</u>	<u>75,000</u>	<u>3.68 %</u>
Expenses					
Salary and Fringes					
701000 - Personal Services	152,089	200,000	200,000	89,070	44.54 %
718000 - Insurance - Health	0	0	0	3,120	0.00 %
Total Salary and Fringes	<u>152,089</u>	<u>200,000</u>	<u>200,000</u>	<u>92,190</u>	<u>46.10 %</u>
Operating					
752000 - Office Expense	0	0	0	793	0.00 %
801000 - Professional and Contractual Services	1,766,304	1,766,698	1,766,698	698	0.04 %
801500 - Office Rent	0	0	0	2,220	0.00 %
802000 - Legal	13,519	18,000	18,000	9,742	54.12 %
803000 - Accounting	14,930	16,000	16,000	6,772	42.32 %
803500 - Audit	10,600	11,000	11,000	0	0.00 %
804000 - Bank Service Charges	2,311	2,500	2,500	211	8.41 %
805000 - HR and Benefits Consulting	12,133	16,000	16,000	0	0.00 %
840000 - Insurance	2,160	2,781	2,781	3,623	130.30 %
861000 - Mileage Reimbursement	0	0	0	2,687	0.00 %
910000 - Professional Development	1,170	1,560	1,560	1,645	105.45 %
913000 - Conference Expenses	0	0	0	615	0.00 %
955000 - Miscellaneous	10,954	12,000	12,000	882	7.34 %
Total Operating	<u>1,834,081</u>	<u>1,846,539</u>	<u>1,846,539</u>	<u>29,888</u>	<u>1.62 %</u>
Total Expenses	<u>1,986,170</u>	<u>2,046,539</u>	<u>2,046,539</u>	<u>122,078</u>	<u>5.97 %</u>
Revenue in Excess of Expenses	<u>49,771</u>	<u>(6,919)</u>	<u>(6,919)</u>	<u>(47,078)</u>	<u>680.41 %</u>
Transfers					
699273 - Interfund Transfer In - FMS	119,637	122,922	122,922	0	0.00 %
995101 - Transfer Out - GF	(119,637)	122,922	122,922	0	0.00 %
Total Transfers	<u>0</u>	<u>245,844</u>	<u>245,844</u>	<u>0</u>	<u>0.00 %</u>
Change in Equity	<u>49,771</u>	<u>238,925</u>	<u>238,925</u>	<u>(47,078)</u>	<u>(19.70) %</u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority COMPARATIVE BALANCE SHEET

	PERIOD ENDED 09/30/2019	PERIOD ENDED 03/31/2020	CHANGE	% CHANGE
ASSETS				
Current Assets				
Bank Accounts	258,277	248,210	(10,067)	(3.89) %
Other Current Assets				
040000 - Accounts Receivable	40,092	0	(40,092)	(100.00) %
123000 - Prepaid Expenses	2,063	695	(1,367)	(66.29) %
Total Other Assets	42,155	695	(41,459)	(98.35) %
Total Current Assets	300,432	248,905	(51,526)	(17.15) %
TOTAL ASSETS	300,432	248,905	(51,526)	(17.15) %
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
202000 - Accounts Payable	2,791	0	(2,791)	(100.00) %
Total Accounts Payable	2,791	0	(2,791)	(100.00) %
Other Current Liabilities				
257000 - Accrued Salaries Wages	1,658	0	(1,658)	(100.00) %
Total Other Current Liabilities	1,658	0	(1,658)	(100.00) %
Total Current Liabilities	4,449	0	(4,449)	(100.00) %
Total Liabilities	4,449	0	(4,449)	(100.00) %
Equity				
390000 - Fund Balance - Unassigned	246,212	295,983	49,771	20.21 %
Net Revenue	49,771	(47,078)	(96,848)	(194.58) %
Total Equity	295,983	248,905	(47,077)	(15.90) %
TOTAL LIABILITIES AND EQUITY	300,432	248,905	(51,526)	(17.15) %

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Created on: 04/01/2020, 8:48 PM EDT

Michigan Municipal Services Authority Check Register

Date	Payee	Document No	Amount Cleared
	Bank: Fifth Third-5711 - Firth Third	Account No: 7166385711	
03/31/2020	10005--BCBSM		(1,434.32) In Transit
03/31/2020	10005--BCBSM		1,434.32 In Transit
	Total for Fifth Third-5711		<u><u>0.00</u></u>
	Bank: Bill.com Clearing - Bill.com Clearing	Account No:	
03/16/2020	10002--Plante Moran		931.14 In Transit
03/16/2020	10011--The Cincinnati Insurance Company		25.00 In Transit
03/16/2020	10014--Munetrix		698.00 In Transit
03/16/2020	10025--Reid S. Charles II		404.96 In Transit
03/16/2020	10009--Kristen Delaney		136.33 In Transit
	Total for Bill.com Clearing		<u><u>2,195.43</u></u>
	Bank: Fifth Third - 1244 - Firth Third	Account No: 7169301244	
03/03/2020	10015--Gusto		2,168.05 03/31/2020
03/03/2020	10015--Gusto		51.00 03/31/2020
03/17/2020	10015--Gusto		2,165.09 03/31/2020
03/31/2020	10005--BCBSM		1,434.32 03/31/2020
	Total for Fifth Third - 1244		<u><u>5,818.46</u></u>

Michigan Municipal Services Authority Reconciliation Report

As Of 03/31/2020
Account: 5/3 Checking

Statement Ending Balance	248,210.05
Deposits in Transit	0.00
Outstanding Checks and Charges	0.00
Adjusted Bank Balance	248,210.05
Book Balance	248,210.05
Adjustments*	0.00
Adjusted Book Balance	248,210.05

Total Checks and Charges Cleared	18,666.05	Total Deposits Cleared	0.00
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Deposits

Name	Memo	Date	Doc No	Cleared	In Transit
Total Deposits				0.00	0.00

Checks and Charges

Name	Memo	Date	Check No	Cleared	Outstanding
Gusto	03-05-2020 Payroll	03/03/2020		2,168.05	
Gusto	February 2020 Invoice	03/03/2020		51.00	
General Ledger Entry	03.05.20 Payroll	03/03/2020		5,295.89	
General Ledger Entry		03/16/2020		2,195.43	
Gusto	03-19-2020 Payroll	03/17/2020		2,165.09	
General Ledger Entry	03.19.20 Payroll	03/17/2020		5,295.89	
	March Bank Fee	03/31/2020		60.38	
BCBSM	Health Care Premium	03/31/2020		1,434.32	
Total Checks and Charges				18,666.05	0.00



Statement Period Date: 3/1/2020 - 3/31/2020
 Account Type: COMM'L 53 ANALYZED
 Account Number: [REDACTED]



MICHIGAN MUNICIPAL SERVICE
 200 TOWNSEND ST STE 900
 LANSING MI 48933



0

Banking Center: Grand Rapids
 Banking Center Phone: 616-653-5440
 Commercial Client Services: 866-475-0729

5101

Account Summary - [REDACTED]

03/01	Beginning Balance	\$266,876.10	Number of Days in Period	31
	Checks			
8	Withdrawals / Debits	\$(18,666.05)		
	Deposits / Credits			
03/31	Ending Balance	\$248,210.05		

Withdrawals / Debits 8 items totaling \$18,666.05

Date	Amount	Description
03/03	51.00	GUSTO 6semjm58bd4 FEE 384868 6semjoarlc MICHIGAN MUNICIPAL SER 030320
03/04	2,168.05	GUSTO 6semjm58g9m TAX 389878 6semjob33j5 MICHIGAN MUNICIPAL SER 030420
03/04	5,295.89	GUSTO 6semjm58g9g NET 389872 6semjob33ip MICHIGAN MUNICIPAL SER 030420
03/11	60.38	SERVICE CHARGE
03/12	1,434.32	BCBS Michigan PREMIUM MS283851 MICHIGAN MUNICIPAL SER 031220
03/16	2,195.43	Bill.com Payables 016PHZRY1CLUB8 Michigan Municipal Ser Multiple Payments Bill.com Payables 016PHZRY1CLUB8 031620
03/18	2,165.09	GUSTO 6semjm5ajpr TAX 459003 6semjoc96cq MICHIGAN MUNICIPAL SER 031820
03/18	5,295.89	GUSTO 6semjm5ajpn NET 458999 6semjoc96cm MICHIGAN MUNICIPAL SER 031820

Daily Balance Summary

Date	Amount	Date	Amount	Date	Amount
03/03	266,825.10	03/11	259,300.78	03/16	255,671.03
03/04	259,361.16	03/12	257,866.46	03/18	248,210.05

[REDACTED]



Plante & Moran, PLLC
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

May 8, 2020

To: Shea Charles, CEO
Michigan Municipal Services Authority (MMSA) Board of Directors

Re: April 2020 Monthly Statements

Enclosed are the following Monthly Statements for your review:

1. Revenue & Expenditure Report – General Fund
2. Revenue & Expenditure Report – Financial Management System Fund
3. Revenue & Expenditure Report – All Funds
4. Balance Sheet
5. Check Register
6. Bank Account Reconciliation
7. Bank Statement

Please contact Kari Shea (248-223-3287) or Kelly Schimmoeller (734-302-6456) with any questions.

Thank you.

Disclaimer: These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.



Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
As of April 30, 2020

	Year Ending	Year Ending		Year To Date	% BDGT
	09/30/2019	09/30/2020	09/30/2020	04/30/2020	
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET	YTD BALANCE	
Revenue					
671000 - Contract Revenue	150,000	150,000	150,000	112,500	75.00 %
Total Revenue	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>112,500</u>	<u>75.00 %</u>
Expenses					
Salary and Fringes					
701000 - Personal Services	152,089	200,000	200,000	111,358	55.68 %
718000 - Insurance - Health	0	0	0	3,586	0.00 %
Total Salary and Fringes	<u>152,089</u>	<u>200,000</u>	<u>200,000</u>	<u>114,944</u>	<u>57.47 %</u>
Operating					
752000 - Office Expense	0	0	0	868	0.00 %
801000 - Professional and Contractual Services	0	0	0	2,765	0.00 %
801500 - Office Rent	0	0	0	2,220	0.00 %
802000 - Legal	13,519	18,000	18,000	9,742	54.12 %
803000 - Accounting	14,930	16,000	16,000	7,604	47.53 %
803500 - Audit	10,600	11,000	11,000	0	0.00 %
804000 - Bank Service Charges	2,311	2,500	2,500	328	13.10 %
805000 - HR and Benefits Consulting	12,133	16,000	16,000	0	0.00 %
840000 - Insurance	2,160	2,781	2,781	3,623	130.30 %
861000 - Mileage Reimbursement	0	0	0	2,745	0.00 %
910000 - Professional Development	1,170	1,560	1,560	1,645	105.45 %
913000 - Conference Expenses	0	0	0	615	0.00 %
955000 - Miscellaneous	10,954	12,000	12,000	882	7.34 %
Total Operating	<u>67,777</u>	<u>79,841</u>	<u>79,841</u>	<u>33,037</u>	<u>41.38 %</u>
Total Expenses	<u>219,866</u>	<u>279,841</u>	<u>279,841</u>	<u>147,981</u>	<u>52.88 %</u>
Revenue in Excess of Expenses	<u>(69,866)</u>	<u>(129,841)</u>	<u>(129,841)</u>	<u>(35,481)</u>	<u>27.33 %</u>
Transfers					
699273 - Interfund Transfer In - FMS	119,637	122,922	122,922	0	0.00 %
Total Transfers	<u>119,637</u>	<u>122,922</u>	<u>122,922</u>	<u>0</u>	<u>0.00 %</u>
Change in Equity	<u>49,771</u>	<u>(6,919)</u>	<u>(6,919)</u>	<u>(35,481)</u>	<u>512.80 %</u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
As of April 30, 2020

	Year Ending	Year Ending		Year To Date	% BDGT
	09/30/2019	09/30/2020	09/30/2020	04/30/2020	
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET	YTD BALANCE	
Revenue					
671000 - Contract Revenue	1,885,941	1,889,620	1,889,620	0	0.00 %
Total Revenue	<u>1,885,941</u>	<u>1,889,620</u>	<u>1,889,620</u>	<u>0</u>	<u>0.00 %</u>
Expenses					
Operating					
801000 - Professional and Contractual Services	1,766,304	1,766,698	1,766,698	698	0.04 %
Total Operating	<u>1,766,304</u>	<u>1,766,698</u>	<u>1,766,698</u>	<u>698</u>	<u>0.04 %</u>
Total Expenses	<u>1,766,304</u>	<u>1,766,698</u>	<u>1,766,698</u>	<u>698</u>	<u>0.04 %</u>
Revenue in Excess of Expenses	<u>119,637</u>	<u>122,922</u>	<u>122,922</u>	<u>(698)</u>	<u>(0.57) %</u>
Transfers					
995101 - Transfer Out - GF	(119,637)	122,922	122,922	0	0.00 %
Total Transfers	<u>(119,637)</u>	<u>122,922</u>	<u>122,922</u>	<u>0</u>	<u>0.00 %</u>
Change in Equity	<u><u>0</u></u>	<u><u>245,844</u></u>	<u><u>245,844</u></u>	<u><u>(698)</u></u>	<u><u>(0.28) %</u></u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority
REVENUE AND EXPENDITURE REPORT
As of April 30, 2020

	Year Ending 09/30/2019	Year Ending 09/30/2020		Year To Date 04/30/2020	% BDGT
	END BALANCE	ORIGINAL BUDGET	AMENDED BUDGET	YTD BALANCE	
Revenue					
671000 - Contract Revenue	2,035,941	2,039,620	2,039,620	112,500	5.52 %
Total Revenue	<u>2,035,941</u>	<u>2,039,620</u>	<u>2,039,620</u>	<u>112,500</u>	<u>5.52 %</u>
Expenses					
Salary and Fringes					
701000 - Personal Services	152,089	200,000	200,000	111,358	55.68 %
718000 - Insurance - Health	0	0	0	3,586	0.00 %
Total Salary and Fringes	<u>152,089</u>	<u>200,000</u>	<u>200,000</u>	<u>114,944</u>	<u>57.47 %</u>
Operating					
752000 - Office Expense	0	0	0	868	0.00 %
801000 - Professional and Contractual Services	1,766,304	1,766,698	1,766,698	3,463	0.20 %
801500 - Office Rent	0	0	0	2,220	0.00 %
802000 - Legal	13,519	18,000	18,000	9,742	54.12 %
803000 - Accounting	14,930	16,000	16,000	7,604	47.53 %
803500 - Audit	10,600	11,000	11,000	0	0.00 %
804000 - Bank Service Charges	2,311	2,500	2,500	328	13.10 %
805000 - HR and Benefits Consulting	12,133	16,000	16,000	0	0.00 %
840000 - Insurance	2,160	2,781	2,781	3,623	130.30 %
861000 - Mileage Reimbursement	0	0	0	2,745	0.00 %
910000 - Professional Development	1,170	1,560	1,560	1,645	105.45 %
913000 - Conference Expenses	0	0	0	615	0.00 %
955000 - Miscellaneous	10,954	12,000	12,000	882	7.34 %
Total Operating	<u>1,834,081</u>	<u>1,846,539</u>	<u>1,846,539</u>	<u>33,735</u>	<u>1.83 %</u>
Total Expenses	<u>1,986,170</u>	<u>2,046,539</u>	<u>2,046,539</u>	<u>148,679</u>	<u>7.26 %</u>
Revenue in Excess of Expenses	<u>49,771</u>	<u>(6,919)</u>	<u>(6,919)</u>	<u>(36,179)</u>	<u>522.89 %</u>
Transfers					
699273 - Interfund Transfer In - FMS	119,637	122,922	122,922	0	0.00 %
995101 - Transfer Out - GF	(119,637)	122,922	122,922	0	0.00 %
Total Transfers	<u>0</u>	<u>245,844</u>	<u>245,844</u>	<u>0</u>	<u>0.00 %</u>
Change in Equity	<u>49,771</u>	<u>238,925</u>	<u>238,925</u>	<u>(36,179)</u>	<u>(15.14) %</u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Michigan Municipal Services Authority COMPARATIVE BALANCE SHEET

	PERIOD ENDED 09/30/2019	PERIOD ENDED 04/30/2020	CHANGE	% CHANGE
ASSETS				
Current Assets				
Bank Accounts	258,277	259,109	832	0.32 %
Other Current Assets				
040000 - Accounts Receivable	40,092	0	(40,092)	(100.00) %
123000 - Prepaid Expenses	2,063	695	(1,367)	(66.29) %
Total Other Assets	42,155	695	(41,459)	(98.35) %
Total Current Assets	300,432	259,804	(40,627)	(13.52) %
TOTAL ASSETS	300,432	259,804	(40,627)	(13.52) %
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
202000 - Accounts Payable	2,791	0	(2,791)	(100.00) %
Total Accounts Payable	2,791	0	(2,791)	(100.00) %
Other Current Liabilities				
257000 - Accrued Salaries Wages	1,658	0	(1,658)	(100.00) %
Total Other Current Liabilities	1,658	0	(1,658)	(100.00) %
Total Current Liabilities	4,449	0	(4,449)	(100.00) %
Total Liabilities	4,449	0	(4,449)	(100.00) %
Equity				
390000 - Fund Balance - Unassigned	246,212	295,983	49,771	20.21 %
Net Revenue	49,771	(36,179)	(85,949)	(172.69) %
Total Equity	295,983	259,804	(36,178)	(12.22) %
TOTAL LIABILITIES AND EQUITY	300,432	259,804	(40,627)	(13.52) %

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Created on: 05/02/2020, 2:47 PM EDT

Michigan Municipal Services Authority Check Register

Date	Payee	Document No	Amount Cleared
	Bank: Bill.com Clearing - Bill.com Clearing	Account No:	
04/20/2020	10026--Advocate Solutions, LLC		2,765.00 In Transit
04/20/2020	10002--Plante Moran		832.09 In Transit
04/20/2020	10009--Kristen Delaney		133.33 In Transit
	Total for Bill.com Clearing		3,730.42
	Bank: Fifth Third - 1244 - Firth Third	Account No: 7169301244	
04/02/2020	10015--Gusto		51.00 04/30/2020
04/02/2020	10015--Gusto		2,266.32 04/30/2020
04/07/2020	10015--Gusto		43.24 04/30/2020
04/16/2020	10015--Gusto		2,266.36 04/30/2020
04/30/2020	10005--BCBSM		465.40 04/30/2020
04/30/2020	10015--Gusto		2,266.36 04/30/2020
	Total for Fifth Third - 1244		7,358.68

Michigan Municipal Services Authority Reconciliation Report

As Of 04/30/2020
Account: 5/3 Checking

Statement Ending Balance	259,108.99
Deposits in Transit	0.00
Outstanding Checks and Charges	0.00
Adjusted Bank Balance	259,108.99
Book Balance	259,108.99
Adjustments*	0.00
Adjusted Book Balance	259,108.99

Total Checks and Charges Cleared	26,790.06	Total Deposits Cleared	37,689.00
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Deposits

Name	Memo	Date	Doc No	Cleared	In Transit
Gusto	Q1 Unemployment adjustment	04/10/2020		189.00	
Local Community Stabilization Authority	LCSA 3rd Qtr Pmt FY20	04/30/2020		37,500.00	
Total Deposits				37,689.00	0.00

Checks and Charges

Name	Memo	Date	Check No	Cleared	Outstanding
General Ledger Entry	04.02.20 Payroll	04/02/2020		5,194.64	
Gusto	march 2020 Invoice	04/02/2020		51.00	
Gusto	04-02-2020 Payroll	04/02/2020		2,266.32	
Gusto	Q1 Payroll Adjustment - Unemployment	04/07/2020		43.24	
General Ledger Entry	04.16.20 Payroll	04/16/2020		5,194.62	
Gusto	04-16-2020 Payroll	04/16/2020		2,266.36	
General Ledger Entry		04/20/2020		3,730.42	
General Ledger Entry	04.30.20 Payroll	04/30/2020		5,194.62	
BCBSM	Health Care Premium	04/30/2020		465.40	
Gusto	04-30-2020 Payroll	04/30/2020		2,266.36	
	April Bank Fee	04/30/2020		117.08	
Total Checks and Charges				26,790.06	0.00



Statement Period Date: 4/1/2020 - 4/30/2020
 Account Type: COMM'L 53 ANALYZED
 Account Number: [REDACTED]

MICHIGAN MUNICIPAL SERVICE
 200 TOWNSEND ST STE 900
 LANSING MI 48933



0

Banking Center: Grand Rapids
 Banking Center Phone: 616-653-5440
 Commercial Client Services: 866-475-0729

5206

Account Summary - [REDACTED]

04/01	Beginning Balance	\$248,210.05	Number of Days in Period	30
	Checks			
11	Withdrawals / Debits	\$(26,790.06)		
2	Deposits / Credits	\$37,689.00		
04/30	Ending Balance	\$259,108.99		

Withdrawals / Debits

11 items totaling \$26,790.06

Date	Amount	Description
04/01	2,266.32	GUSTO 6semjm5cfcfs TAX 520028 6semjodco69 MICHIGAN MUNICIPAL SER 040120
04/01	5,194.64	GUSTO 6semjm5cfcq NET 520026 6semjodco61 MICHIGAN MUNICIPAL SER 040120
04/02	51.00	GUSTO 6semjm5cfnd FEE 520365 6semjoderrj MICHIGAN MUNICIPAL SER 040220
04/07	43.24	GUSTO 6semjm5d1hp TAX 538617 6semjodst45 MICHIGAN MUNICIPAL SER 040720
04/10	117.08	SERVICE CHARGE
04/15	2,266.36	GUSTO 6semjm5e29c TAX 572140 6semjoena3s MICHIGAN MUNICIPAL SER 041520
04/15	5,194.62	GUSTO 6semjm5e297 NET 572135 6semjoena3m MICHIGAN MUNICIPAL SER 041520
04/20	3,730.42	Bill.com Payables 016HVKQQT1DRISU Michigan Municipal Ser Multiple Payments Bill.com Payables 016HVKQQT1DRISU 042020
04/28	465.40	BCBS Michigan PREMIUM MS283851 MICHIGAN MUNICIPAL SER 042820
04/29	2,266.36	GUSTO 6semjm5f09a TAX 602858 6semjofiifu MICHIGAN MUNICIPAL SER 042920
04/29	5,194.62	GUSTO 6semjm5f08t NET 602845 6semjofiifd MICHIGAN MUNICIPAL SER 042920

Deposits / Credits

2 items totaling \$37,689.00

Date	Amount	Description
04/10	189.00	GUSTO 6semjm5dfk9 TAX 553033 6semjoe7t29 MICHIGAN MUNICIPAL SER 041020
04/23	37,500.00	Local Community Bill.com 016UNAWDT1DWTMF Michigan Municipal Ser Local Community Stabilization Authority Bill.com 016UNAWDT1DWTMF Inv #F

Daily Balance Summary

Date	Amount	Date	Amount	Date	Amount
04/01	240,749.09	04/10	240,726.77	04/23	267,035.37
04/02	240,698.09	04/15	233,265.79	04/28	266,569.97
04/07	240,654.85	04/20	229,535.37	04/29	259,108.99

[REDACTED]



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

DATE: May 7, 2020
TO: Executive Committee
FROM: Shea Charles, CEO
SUBJECT: May Budget Amendment – FY 2019-2020

Please find attached resolution 2020-01 amending the 2019-2020 MMSA Budget. The amendment accounts for previously approved changes to expenditures.

Expenditure	Amount
Lansing Office	\$9,700
Health Insurance for staff	\$9,935

The amendment also accounts a projected reduction in FMS revenue as Kent County is negotiating with CGI to reduce their subscriptions fees. I am projecting a 50% reduction that will reduce MMSA revenue by \$30,905.

The enclosed line-item detail reflects the changes the MMSA Board had requested. Resolution 2020-01 is ready for approval by the Committee.



**EXECUTIVE COMMITTEE
RESOLUTION 2020-01**

FY 2019-2020 General Appropriations Act Amendment

The Executive Committee of the Michigan Municipal Services Authority (“Authority”) resolves that the FY 2019-2020 General Appropriations Act is amended as follows:

Section 6. Estimated Revenues and Expenditures. Estimated total revenues and expenditures for the Authority for FY 2019-2020 are:

<u>Fund</u>	<u>Revenue</u>	<u>Expenditures</u>
General Fund	\$150,000	\$280,291
VHWM Fund	\$0	\$0
FMS Fund	\$1,417,215	\$1,325,198

The Chief Executive Officer is permitted to execute transfers within these limits between appropriations without the prior approval of the Executive Committee.

Secretary’s Certification:

I certify that this resolution was adopted by the executive committee of the Michigan Municipal Services Authority at a properly-noticed open meeting held with a quorum present on May 14, 2020.

By: _____
James Cambridge
Authority Secretary



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

DATE: May 8, 2020

TO: Executive Committee

FROM: Shea Charles, CEO

SUBJECT: Proposed 2020-2021 MMSA Budget

Attached are resolutions 2020-02 and 2020-03 which set the timeline for adoption of MMSA's 2020-2021 budget and a public hearing on July 9, 2020. Budgeting in these difficult times provides a unique challenge for any public entity. MMSA is in a solid position for this next year as the pandemic has stabilized our revenues for another year as it related to FMS. I look forward to the committee's feedback on the proposed budget.

2019-2020 Projected Budget

The 2019-2020 budget will use an estimated \$38,274 of Fund Balance, up from the adopted amount of \$6,919. The increase use is tied to the addition of health care benefits for the CEO and Administrative Assistant as well as adding an office space in Lansing. Beyond the additional expenses I am projecting a reduction in FMS revenue as Kent County is currently negotiating a reduced subscription fee with CGI. The projected budget reflects a 50% reduction of their fee from \$944,810 to \$472,405. This change results in a \$30,905 reduction in revenue to MMSA. With these changes the projected year-end Fund Balance is \$257,709, down from \$295,983.

2020-2021 Proposed Budget

The proposed budget assumes revenues being flat for the year and will utilize \$59,178 of Fund Balance lowering it to \$198,531. Salaries for staff will remain flat for the year and assumes MMSA will continue to operate an office in Lansing. All other costs are in line with this year's expenses but will need adjustment as new programs come on-line. Trying to budget during the current pandemic situation is a challenge for everyone, but looking at our overall revenue sources, they appear to be stable for the next 12 months.

FMS

Kent County and Grand Rapids have indicated they will be staying with CGI at least one more year due to the COVID situation. This is positive for MMSA as it provides an additional year of revenue that was not expected. CGI has begun migrating other Advantage 360 clients to their new platform. They plan on reengaging City of Grand Rapids & Kent County in negotiations once normal operations resume.

General Fund

The proposed budget aligns expenses with the cost centers requested by the Board. The MMSA's partnership with LCSA will continue next year at the current rate of \$150,000. There was some discussion of asking for additional compensation, but at this time the Senate has not approved the LCSA legislation that funds them. There is enough within LCSA's Fund Balance to fund this year and next, but then they will need the appropriation.

Overall expenses are flat for the year as program development has stalled due to the COVID situation. As the economy restarts budget amendments will be needed for different programs as implementation begins. The total proposed General Fund Budget is \$301,195, with revenues of \$242,017.

Michigan Municipal Services Authority
General Fund

General Fund	Year Ending	Year Ending	Year Ending		Year Ending			
	9/30/2018	9/30/2019	ORIGINAL BUDGET	AMENDED BUDGET	RECOMMENDATION			
	END BALANCE	END BALANCE						
OPERATING REVENUES								
Intergovernmental	150,000	150,000	150,000	150,000	150,000			150000
TOTAL OPERATING REVENUES	150,000	150,000	150,000	150,000	150,000			
EXPENDITURES								
SALARY AND FRINGES								
701000 - Personal Services	197,947	152,089	200,000	181,000	181,000	57200	123000	180,200
702000 - Wages - Administrative Staff	0	0	0	0	0			
703000 - Salary Director	0	0	0	0	0			
708000 - MESC Taxes	0	0	0	0	0			
710000 - FUTA Taxes	0	0	0	0	0			
715000 - Social Security & Medicare	0	0	0	13,847	13,847			13,756
718000 - Insurance - Health	0	0	0	9,935	24,798			How much is Kristen - just paid \$465; is Shea adding on?
TOTAL SALARY AND FRINGES	197,947	152,089	200,000	204,781	219,645			
OPERATING EXPENSES								
752000 - Office Expense	0	0	0	2,000	2,000	870		so far - okay
801500 - Office Rent	0	0	0	9,700	10,740			haven't paid Front Lobe since Feb - I don't see rent for Shea
802000 - Legal	30,198	13,519	18,000	18,000	18,000	9750		in 4 months during current year. You're only incurring \$8K in the next 8 months? Average \$2,500 a month
803000 - Accounting	26,973	14,930	16,000	16,000	16,000	7600		in first 7 months 1085.714
803500 - Audit		10,600	11,000	11,000	11,000			Done
804000 - Bank Service Charges		2,311	2,500	2,500	2,500	328		in first 7 months
805000 - HR and Benefits Consulting	11,027	12,133	16,000	5,000	5,000			nothing spent this year
840000 - Insurance	3,298	2,160	2,781	2,810	2,810			Spent 3623 this year with next one's prepaid reduced however there was a \$25 late fee. Grand total \$2,806
861000 - Mileage Reimbursement		0	0	3,500	2,500			Spent 2745 already this year - no more mileage reimbursement?? KD 1440
910000 - Professional Development		1,170	1,560	2,000	5,000			Spent 1645 already this year - needs amendment
913000 - Conference Expenses		0	0	1,000	4,000			spent 615 this year
955000 - Miscellaneous	2,107	10,954	12,000	2,000	2,000			Spent 882 this year
TOTAL OPERATING EXPENSES	73,603	67,777	79,841	75,510	81,550			
TOTAL EXPENDITURES	271,550	219,866	279,841	280,291	301,195			
OPERATING INCOME (LOSS)	(121,550)	(69,866)	(129,841)	(130,291)	(151,195)			
TRANSFERS								
Transfers in	140,157	119,637	122,922	92,017	92,017			
Transfers out	(143,910)	0	0	0	0			
CHANGE IN NET POSITION	(125,303)	49,771	(6,919)	(38,274)	(59,178)			
BEGINNING NET POSITION	371,515	246,212	295,983 [3]	295,983 [3]	257,709			
ENDING NET POSITION	246,212	295,983	289,064	257,709	198,531			

Notes



Michigan Municipal Services Authority

**EXECUTIVE COMMITTEE
RESOLUTION 2020-02**

FY 2020-2021 Budget Time Schedule

The Executive Committee of the Michigan Municipal Services Authority resolves that the following budget time schedule is approved for the Michigan Municipal Services Authority ("Authority") in compliance with the Uniform Budgeting and Accounting Act, 1968 PA 2, MCL 141.421 to 141.440a, for the fiscal year beginning on October 1, 2020 and ending on September 30, 2021:

On or About

April 2, 2020:

Step

The budgetary centers of the Authority shall provide to the CEO information which the CEO considers necessary and essential to the preparation of a budget for the ensuing fiscal period for presentation to the Authority's Executive Committee.

May 14, 2020:

The CEO shall transmit the recommended budget to the Executive Committee.

July 9, 2020:

The recommended budget transmitted by the CEO shall be considered by the Executive Committee and a public hearing shall be held before final passage of a general appropriations act by the Executive Committee.

Secretary's Certification:

I certify that this resolution was duly adopted by the Executive Committee of the Michigan Municipal Services Authority at a properly-noticed open meeting held with a quorum present on May 14, 2020

By: _____

James Cambridge
Authority Secretary



Michigan Municipal Services Authority

**EXECUTIVE COMMITTEE
RESOLUTION 2020-03**

FY 2020-2021 Budget Notice

The Executive Committee of the Michigan Municipal Services Authority (“Authority”) resolves that the law firm of Dykema Gossett PLLC is authorized to assist the Authority’s Secretary in securing the publication of notice of a public hearing of the FY 2020-2021 budget for the Authority in compliance with 1963 (2nd Ex Sess) PA 43, MCL 141.411 to 141.415. The notice shall be in a form substantially similar to the following:

NOTICE OF PUBLIC HEARING

A public hearing is scheduled for 1:30 p.m. on Thursday, July 9, 2020 at a regular meeting of the Executive Committee of the Michigan Municipal Services Authority (“Authority”) held at 201 Townsend St., # 900, Lansing, MI 48909 for discussing adoption of the budget for the Authority for the 2020-2021 fiscal year. The meeting will be held in compliance with the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275. A copy of the proposed budget is available for public inspection at 201 Townsend St., # 900, Lansing, MI 48909 and <http://www.michiganmsa.org>.

**THE PROPERTY TAX MILLAGE RATE PROPOSED TO BE LEVIED TO SUPPORT
THE PROPOSED BUDGET WILL BE A SUBJECT OF THIS HEARING.***

*Note: This notice is printed in compliance with 1963 (2nd Ex Sess) PA 43, MCL 141.411 to 141.415. The Authority is not authorized to levy taxes.

James Cambridge
Authority Secretary

Secretary’s Certification:

I certify that this resolution was duly adopted by the Executive Committee of the Michigan Municipal Services Authority at a properly-noticed open meeting held with a quorum present on May 14, 2020.

By: _____
James Cambridge
Authority Secretary



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

DATE: May 8, 2020
TO: Executive Committee
FROM: Shea Charles, CEO
SUBJECT: 2018-2019 Audit

Please find enclosed the 2018-2019 MMSA Audit issued by Maner Consterian in March 2019. The auditors did issue a clean opinion for this year's audit. Pursuant to the MMSA By-laws the full Authority Board is responsible for accepting the audit. Maner Costerian will be at the June meeting to present the audit and answer any questions.

March 10, 2020

Board of Directors
Michigan Municipal Services Authority
Lansing, Michigan

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Michigan Municipal Services Authority (the Authority), for the year ended September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 17, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended September 30, 2019. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the financial statements.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Material misstatements were not detected as a result of our auditing procedures.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 10, 2020.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Michigan Municipal Services Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Manes Costeiran PC

**MICHIGAN MUNICIPAL SERVICES AUTHORITY
LANSING, MICHIGAN**

REPORT ON FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Michigan Municipal Services Authority
Lansing, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Michigan Municipal Services Authority (the Authority), a component unit of the State of Michigan, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority'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 an opinion 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Michigan Municipal Services Authority, a component unit of the State of Michigan, as of September 30, 2019, and the respective changes in financial position and cash flows 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, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2020, on our consideration of the Michigan Municipal Services Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Michigan Municipal Services Authority's internal control over financial reporting and compliance.

Maney Costeiran PC

March 10, 2020

**MICHIGAN MUNICIPAL SERVICES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

The intent of the management's discussion and analysis is to provide highlights of the Authority's financial activities for the fiscal year ended September 30, 2019. Readers are encouraged to read this section in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- Net Position: The assets of the Authority exceeded its liabilities by \$295,983 as of September 30, 2019. This unrestricted net position may be used to meet the Authority's ongoing obligations.
- The total net position increased by \$49,771 as a result of current year activity.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report includes this management's discussion and analysis report, the independent auditor's report and the basic financial statements of the Authority, including notes that explain in more detail some of the information in the financial statements.

REQUIRED FINANCIAL STATEMENTS

The financial statements report information of the Authority using accounting methods similar to those used by private-sector companies. These statements offer short and long-term financial information about its activities.

The Statement of Net Position includes all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to their creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing their liquidity and financial flexibility.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Authority's operations over the past year.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE AUTHORITY

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position provide information to determine how the Authority did financially during 2019. The net position, or the difference between assets and liabilities, and the changes in them can indicate whether financial health is improving or deteriorating over time. However, other non-financial factors such as changes in economic conditions and new or changed government legislation also need to be considered in determining the Authority's financial health.

NET POSITION

The Authority's Condensed Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position are presented in the following comparative tables.

**MICHIGAN MUNICIPAL SERVICES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

TABLE 1

CONDENSED STATEMENT OF NET POSITION

	September 30, 2019	September 30, 2018
Current assets	\$ 300,432	\$ 258,273
Current liabilities	4,449	12,061
Unrestricted net position	\$ 295,983	\$ 246,212

TABLE 2

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	September 30, 2019	September 30, 2018
Operating revenues	\$ 2,035,941	\$ 2,569,250
Operating expenses	1,986,170	2,694,553
Changes in net position	49,771	(125,303)
Beginning net position	246,212	371,515
Ending net position	\$ 295,983	\$ 246,212

The Authority's operating revenues decreased by \$533,309 and operating expenses decreased by \$708,383 from the prior year as a result of decreased participation in the Financial Management System.

BUDGETARY HIGHLIGHTS

The Authority is an enterprise fund and is not required to adopt an annual budget. However, the Authority Board does adopt an annual operating budget. The operating budget includes proposed expenses and the means of financing them. The Authority's operating budget remains in effect but can be revised with the Authority Board approval prior to the September 30 year-end.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority's budget for the fiscal year ending September 30, 2020, reflects maintenance of the status quo and includes no changes in revenues or expenses.

**MICHIGAN MUNICIPAL SERVICES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

CONTACT INFORMATION

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate its accountability for the funds it receives. Questions regarding this report or requests for additional information should be addressed to the Michigan Municipal Services Authority, P.O. Box 12012, Lansing, MI 48901-2012.

BASIC FINANCIAL STATEMENTS

MICHIGAN MUNICIPAL SERVICES AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Enterprise Funds			Total Business-type Activities
	Operating Fund	Financial Management System	Nonmajor Virtual Health and Wellness Marketplace	
ASSETS				
Current assets				
Cash	\$ 258,277	\$ -	\$ -	\$ 258,277
Accounts receivable	40,092	-	-	40,092
Prepaid expense	2,063	-	-	2,063
TOTAL ASSETS	300,432	-	-	300,432
LIABILITIES				
Current liabilities				
Accounts payable	2,791	-	-	2,791
Accrued wages	1,658	-	-	1,658
TOTAL LIABILITIES	4,449	-	-	4,449
NET POSITION				
Unrestricted	\$ 295,983	\$ -	\$ -	\$ 295,983

See accompanying notes to financial statements.

MICHIGAN MUNICIPAL SERVICES AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2019

	Enterprise Funds			Total Business-type Activities
	Operating Fund	Financial Management System	Nonmajor Virtual Health and Wellness Marketplace	
OPERATING REVENUES				
Intergovernmental	\$ 150,000	\$ 1,885,941	\$ -	\$ 2,035,941
OPERATING EXPENSES				
Chief Executive	152,089	-	-	152,089
Accounting	25,530	-	-	25,530
Insurance	2,160	-	-	2,160
Attorney	13,519	-	-	13,519
Training	1,170	-	-	1,170
Contractual services	12,133	1,766,304	-	1,778,437
Miscellaneous	13,265	-	-	13,265
TOTAL OPERATING EXPENSES	219,866	1,766,304	-	1,986,170
OPERATING INCOME (LOSS)	(69,866)	119,637	-	49,771
TRANSFERS				
Transfers in	119,637	-	-	119,637
Transfers out	-	(119,637)	-	(119,637)
TOTAL TRANSFERS	119,637	(119,637)	-	-
CHANGE IN NET POSITION	49,771	-	-	49,771
Fund balances, beginning of year	246,212	-	-	246,212
Fund balances, end of year	\$ 295,983	\$ -	\$ -	\$ 295,983

See accompanying notes to financial statements.

**MICHIGAN MUNICIPAL SERVICES AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2019**

	Enterprise Funds			Total Business-type Activities
	Operating Fund	Financial Management System	Nonmajor Virtual Health and Wellness Marketplace	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	\$ 145,345	\$ 1,885,941	\$ -	\$ 2,031,286
Cash paid to suppliers	(72,466)	(1,766,304)	(428)	(1,839,198)
Cash paid to employees	(154,584)	-	-	(154,584)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(81,705)	119,637	(428)	37,504
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash received from other funds	119,637	-	-	119,637
Cash paid to other funds	-	(119,637)	-	(119,637)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	119,637	(119,637)	-	-
NET INCREASE (DECREASE) IN CASH	37,932	-	(428)	37,504
Cash, beginning of year	220,345	-	428	220,773
Cash, end of year	<u>\$ 258,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258,277</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (69,866)	\$ 119,637	\$ -	\$ 49,771
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities				
Decrease (increase) in:				
Due from other governmental units	37,500	-	-	37,500
Accounts receivable	(40,092)	-	-	(40,092)
Prepaid expense	(2,063)	-	-	(2,063)
(Decrease) in:				
Accounts payable	(4,689)	-	(428)	(5,117)
Accrued wages	(2,495)	-	-	(2,495)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (81,705)	\$ 119,637	\$ (428)	\$ 37,504

See accompanying notes to financial statements.

**MICHIGAN MUNICIPAL SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Michigan Municipal Services Authority (the Authority) was established on August 1, 2012 pursuant to the Urban Cooperation Act of 1967, as part of an interlocal agreement between the City of Grand Rapids and the City of Livonia. The purpose of the Authority is to engage in cooperative activities that save staff time and taxpayer money.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles.

The following is a summary of the significant accounting policies:

Reporting Entity

The accompanying financial statements are exclusive presentations of the financial condition and results of operations of the Michigan Municipal Services Authority. The Authority is considered a component unit of the State of Michigan.

The Authority is controlled by a five-member Executive Committee. The Governor shall designate a member of the Executive Committee to serve as its Chairperson at the pleasure of the Governor. The Executive Committee shall elect from among the serving members of the Executive Committee a Vice-Chairperson of the Executive Committee and a Secretary of the Authority.

Basis of Presentation

The financial statements present the Authority's individual major funds. The major individual enterprise funds are reported as separate columns in the financial statements.

The Authority presents the following major enterprise funds:

- The Operating Fund accounts for all financial resources of the Authority except for those that are required to be accounted for in another fund.
- The Financial Management System Fund accounts for the financial resources related to the operation of the Authority's Financial Management System (FMS) program, the costs are financed or recovered primarily through user charges.

Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the Statement of Net Position. Fund equity (i.e., net position) is segregated into net investment in capital assets, restricted, and unrestricted components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

MICHIGAN MUNICIPAL SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The proprietary funds are accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and the expenses are recognized when they are incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are contract fees to other governmental units for services provided. Operating expenses for the Authority include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. If/when both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash

Cash consists of a checking account.

Due from Other Governmental Units

Due from other governmental units consist of amounts due from participating municipalities related to services provided.

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 future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The Authority currently does not have any items that qualify for reporting in this category.

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. The Authority currently does not have any items that qualify for reporting in this category.

Interfund Transactions

During the course of normal operations, the Authority has numerous transactions between funds, including transfers of resources to provide services. The accompanying financial statements generally reflect such transactions as operating transfers.

MICHIGAN MUNICIPAL SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Comparative Data

Comparative data for the prior year have not been presented in the basic financial statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2 - CASH

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

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures more than 270 days after the date of purchase.
4. The United States government or Federal agency obligations repurchase agreements.
5. Bankers acceptances of United States Banks.
6. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Deposits

There is a custodial risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of September 30, 2019, the carrying amount and bank balance of the Authority's deposits was \$258,277 and \$258,322, respectively. \$250,000 of the bank balance was covered by federal deposit insurance. The remaining \$8,322 was uninsured and uncollateralized.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of September 30, 2019, the Authority did not have any investments that would be subject to rating by an NRSRO.

**MICHIGAN MUNICIPAL SERVICES AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - CASH (continued)

Interest Rate Risk

The Authority will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Authority's cash requirements.

Concentration of Credit Risk

The Authority will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Authority's 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.

Custodial Credit Risk

The Authority will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities authorized by the Board and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Authority will do business in accordance with Board approved policy.

NOTE 3 - INTERFUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers.

Transfers to Operating Fund from Financial Management System Fund	<u>\$ 119,637</u>
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Transfers were used to move unrestricted resources to finance operating costs that the Authority must account for in other funds.

NOTE 4 - RISK MANAGEMENT

The Authority is exposed to various risks of loss for liability and workers' compensation claims. For workers' compensation claims the Authority carries commercial insurance. Settled claims, if any, relating to the commercial insurance have not exceeded the amount of insurance coverage in either of the past three (3) fiscal years.

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

Board of Directors
Michigan Municipal Services Authority
Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Michigan Municipal Services Authority (the Authority), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 10, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Manes Costeiran PC

March 10, 2020



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

DATE: May 8, 2020

TO: Executive Committee

FROM: Shea Charles, CEO

SUBJECT: MMSA Audit Proposal

In 2014 the MMSA approved a multi-year letter of engagement for auditing services from Abraham & Gaffney, P.C., which is now Maner Costerisan. The letter of agreement provided services until the audit for Fiscal Year End 2017 and we have been using them year to year since that time. I am seeking feedback if the Committee would like to issue a request for proposals or entertain an extension from Maner Costerisan, which they have provided at my request (attached).

Over the life of the previous agreement annual costs for audits were as follows:

Year	Approved
FYE 2014	\$9,800
FYE 2015	\$10,200
FYE 2016	\$10,200
FYE 2017	\$10,600
FYE 2018	\$10,600
FYE 2019	\$11,000

Maner Costerisan is offering a three-year extension at the following costs:

Year	Cost
FYE 2020	\$11,000
FYE 2021	\$11,400
FYE 2022	\$11,800

Speaking with our accounts at Plante Moran, they have been pleased with Maner Costerisan's work and recommend the extension. Under MMSA by-laws the full Authority Board has the responsibility of choosing an auditor, but before presenting it to the full Board in June I am seeking the Committee's input.

April 13, 2020

Michigan Municipal Services Authority
PO Box 12012
Lansing, MI 48901

We are pleased to confirm our understanding of the services we are to provide Michigan Municipal Services Authority for the years ended September 30, 2020, 2021, and 2022. We will audit the financial statements of the governmental activities, and the major fund which collectively comprise the basic financial statements, of Michigan Municipal Services Authority as of and for the years ended September 30, 2020, 2021, and 2022. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Michigan Municipal Services Authority's 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. As part of our engagement, we will apply certain limited procedures to Michigan Municipal Services Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedules

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and will include tests of the accounting records of Michigan Municipal Services Authority and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Michigan Municipal Services Authority's financial statements. Our report will be addressed to the Board of Directors of Michigan Municipal Services Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Michigan Municipal Services Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

We have advised you of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets). We have offered to perform, as a separate engagement, extended procedures specifically designed to detect fraud and you have declined to engage us to do so at this time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreement; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance of internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Michigan Municipal Services Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will provide certain non-attest services as listed in the attached addendum. You are responsible for making all management decisions and performing all management functions relating to these non-attest services and for accepting full responsibility for such decisions. You will be required to acknowledge in the representation letter that you have evaluated the adequacy of our non-attest services and have reviewed and approved the results of these services, and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any non-attest services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestations engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to Michigan Municipal Services Authority, however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Maner Costerisan and constitutes confidential information. However, pursuant to authority given to it by law or regulation, we may be requested to make certain audit documentation available to an oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Maner Costerisan personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

William I. Tucker IV, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fees will be based on the services rendered, plus out-of-pocket costs. Our standard hourly rates vary according to the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable on presentation. Past due amounts are subject to a service fee of 1½% per month. In accordance with firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. Third-party confirmation providers for certain financial institutions may invoice us for responding to confirmation requests and we will pass those costs through to you.

Year Ending <u>September 30,</u>	Financial <u>Audit</u>
2020	\$11,000
2021	11,400
2022	11,800

During the term of this agreement and for a period of one (1) year thereafter, neither party shall directly or indirectly, solicit for employment or for engagement as an independent contractor, or encourage leaving their employment or engagement, any employee or independent contractor of the other party. For the avoidance of doubt, general advertisements for employment and responses thereto, shall not be deemed a violation of the paragraph. The parties agree that any breach of this paragraph would damage the other party in an amount difficult to ascertain with certainty, and that in the event that either party breaches this provision resulting in the other party losing the services of an employee or independent contractor for any period of time, the breaching party shall pay to the other party an amount equal to the annual rate of compensation (paid by the non-breaching party for the immediate prior calendar year) of the applicable employee or independent contractor.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our most recent peer review report accompanies this letter.

If reproduction or publication of financial statements audited by us, or any portion thereof, is intended, it is our policy that any master of printer's proofs be submitted to us for review prior to publication.

We will continue to perform our services under the arrangements discussed above from year to year unless for some reason you or we find that some change is necessary. However, the performance of each audit is a separate and severable engagement. Each separate engagement shall be deemed complete and Maner Costerisan will not have a continuing responsibility to perform additional services with respect to that completed engagement when we present to you the final audit report that relates to any given year.

Our audit report on the financial statements to be issued pursuant to this engagement is for your use. If it is your primary intent that our report will benefit or influence a third-party user, we must be informed prior to the beginning of the annual audit engagement.

Considering our current relationship as an independent member of the BDO Alliance USA, the firm may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

In connection with this engagement, we may communicate with you or others via e-mail transmission. As e-mails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that e-mails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions, or for the unauthorized use or failed delivery of e-mails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

You agree that our maximum liability to you for any negligent errors or omissions committed by us in the performance of the engagement will be limited to the amount of our fees for this engagement, except to the extent determined to result from our gross negligence or willful misconduct.

Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding the statute of limitations of the State of Michigan, any claim based on this engagement must be commenced within twelve (12) months after performance of our service, unless you have previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules. If the parties are unable to resolve the dispute through mediation within 60 days from the date notice is first given from one party to the other as to the existence of a dispute and the demand to mediate, then they may proceed to resolve the matter by arbitration if this agreement provides that the particular dispute is subject to arbitration, or by whatever other lawful means are available to them if this agreement does not provide for arbitration of the particular dispute. Costs of any mediation proceeding shall be shared equally by all parties.

Michigan Municipal Services Authority and Maner Costerisan both agree that any dispute over fees charged by Maner Costerisan to the client or any other disputes will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration shall be binding and final. The arbitration shall take place at Lansing, Michigan. Any hearing shall be before one arbitrator in accordance with Rule 17 of the Commercial Arbitration Rules of the American Arbitration Association (the Rules). Any award rendered by the arbitrator pursuant to this agreement may be filed and entered and shall be enforceable in the appropriate court of the county in which arbitration proceeds. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution. The prevailing party shall be entitled to an award of reasonable attorney's fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

We appreciate the opportunity to be of service to Michigan Municipal Services Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Maner Costerisan PC

RESPONSE:

This letter correctly sets forth the understanding of Michigan Municipal Services Authority.

By: _____

Title: _____

Date: _____

To: Maner Costerisan

After considering the qualifications of the accounting personnel of Michigan Municipal Services Authority we believe they have the qualifications and abilities to generate financial statements, including the required footnotes, in accordance with U.S. generally accepted accounting principles. However, for convenience and other issues, we may contract with you to prepare our financial statements.

Signature: _____

Title: _____

Date: _____

ADDENDUM TO ENGAGEMENT LETTER

As part of the audit engagement, you have requested our assistance with the following services. *Government Auditing Standards* considers these services as “non-attest” or “non-audit” services. Management is required to review, approve and accept responsibility for any non-audit services we may perform.

- Preparation of the financial statements, including the related notes, required and additional supplementary information.
- Assistance with, or the preparation of, year-end adjusting journal entries and work papers.

Thomas G. Wieland
David A. Grotkin
Joel A. Joyce
Brian J. Mechenich



Carrie A. Gindt
Patrick G. Hoffert
Jason J. Wrasse
Joshua T. Bierbach

Report on the Firm's System of Quality Control

July 27, 2017

To the Partners of Maner Costerisan PC and
the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Maner Costerisan PC (the firm) in effect for the year ended March 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

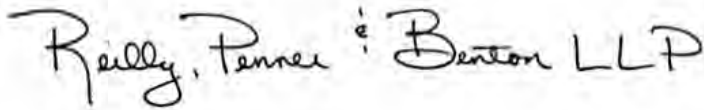
Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans, and audits of carrying broker-dealers.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Maner Costerisan PC in effect for the year ended March 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Maner Costerisan PC has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Reilly, Penner & Benton LLP". The signature is written in black ink and is positioned above the typed name of the firm.

Reilly, Penner & Benton LLP

Reilly, Penner & Benton LLP

1233 N. Mayfair Road Suite #302 • Milwaukee, WI 53226-3255 • 414-271-7800

www.rpb.biz



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

DATE: May 8, 2020
TO: Executive Committee
FROM: Shea Charles, CEO
SUBJECT: SSDC Proposal

MMSA approved a partnership with SSDC for Medicare discovery and enrollment services in October 2017. The partnership provided MMSA the opportunity to market SSDC services while receiving 10% of the fees collected by SSDC. One of the challenges MMSA had in marketing the program is the pricing we were offering was the same as if an agency contracted directly with SSDC. After meeting with SSDC they have offered a new fee schedule reflecting the lowest pricing they offered to anyone. The MMSA would still receive 10% of any fees collected by SSDC. They are also willing to extend the new pricing to the City of Livonia, who has used their services in the past.

Attached is their proposed pricing sheet which shows current pricing and rates that MMSA can now offer to communities as well a program summary. If the Committee is comfortable with the revised pricing, we will update the current agreement with SSDC and present it for approval at the June meeting.

Project Pricing for Municipal Services Authority January 2020

All costs listed below are based on the scope of work. Services indicated with (*) are **contingent upon success of the activity**. The Intermediary fee paid by SSDC after receipt of payment from client is 10% of MMSA price.

Activity	Standard Price	MMSA Price
Discovery* Pre-65 <ul style="list-style-type: none"> Healthcare enrolled No longer actively working employees/retirees and/or their dependents Medicare was unknown to the customer 	\$1,600 per Medicare Discovery	\$1,400 per Medicare Discovery
Recovery* With claims paid as primary by plan, in error	30% of Claim Dollars Recovered	15% of Claims Dollar Recovered
Development* (Social Security Advocacy) Paid for by Client Health Plan	\$3,500 per award (No Discovery Fee is ever added)	\$2,950 per award (No Discovery Fee is ever added)
Development* Paid for by Retiree or Spouse	Mandate Social Security Maximum Rates 25% of Retroactive Award up to a maximum of \$6,000. Travel and medical records charged separately (No Discovery Fee is ever added)	20% of Retroactive Award up to a maximum of \$4,000. Travel and medical records are not charged. (No Discovery Fee is ever added)
Medicare Secondary Payer Debt Resolution* (Formerly Medicare Reimbursement)	\$500 after success	\$300 after success
Part B DSEP Enrollments*	\$600 per enrollment	\$300 per enrollment

Medicare Maximization

Generating Savings in Pre-65 Retiree
Healthcare Populations



Proprietary and Confidential

v09042019

Retiree Healthcare

- Providing pre-65 retiree healthcare can be one of the most expensive benefits that are offered by an organization.
- Most plans have 5% or less of pre-65 retirees and spouses on Medicare. With SSDC's proven approach, the number can be increased to at least 15%.
- We help lower and control the costs, now and going forward, by moving a significant portion of this population to Medicare primacy. This generates millions of dollars in savings depending on the size of the plan.

Overview

- Founded in 1979, SSDC is headquartered in Novi, Michigan.
- Assisted over 100,000 individuals in obtaining Social Security Disability Insurance (SSDI) and Medicare.
- Achieved billions in healthcare cost savings through Medicare Maximization.
- Our customers include large public and private employers, Trusts, insurance carriers, Taft Hartley Plans and affinity groups.
- Have worked with the Centers for Medicare and Medicaid Services (CMS), leading administrators and health plans for over 20 years.
- Our combined customer base includes over 4 million employees, retirees, and dependents from over 150 customers.

Representative Customers

Private Companies

- Verizon
- Boeing
- Eaton Corporation
- Amazon

States and Municipalities

- Michigan Public School Employees Retirement System
- Texas Teacher Retirement System
- Commonwealth of Virginia Retirement System
- Nashville Metropolitan Public Schools
- State of West Virginia PEIA

Public Entities and Utilities

- New York City Transit Authority
- Wayne County Airport Authority
- Southern California Edison
- Southern Company

Unions and Trusts

- Asbestos Abatement Workers
- Toledo Electrical Welfare Fund
- Northwest Ohio Plumbers & Pipefitters
- Indiana Teamsters

Medicare Maximization

A systematic process for maximizing the number of pre-65 retirees and dependents on Medicare. These are the problems we solve:

- There are significant gaps in the carriers, administrators and employers' methods for identifying individuals who should be treated as Medicare primary.
- Individuals with serious health conditions may qualify for SSDI and Medicare. Most individuals don't know they are eligible for SSDI after retirement and do not pursue these benefits.

Discovery

SSDC utilizes a comprehensive source of Medicare eligibility from CMS for the entire healthcare covered population to identify people who are:

- Enrolled into Medicare, but unknown to the organization; or
- Medicare enrolled but are not being coordinated as Medicare primary.

We can accomplish this because of our years of developing Medicare and plan expertise, analytic tools and a focus on the individual enrolling in Medicare

Discovery is focused on cleaning up inaccurate eligibility and enrollment data the 1st year and then maintaining accuracy in subsequent years to add 2-4% to Medicare enrolled population.

Recovery of plan costs can also be accomplished in the first year by working with the insurer or TPA to rebill Medicare that occurred in the past 12 months.

Our fees are all contingent and are only charged if we move an individual to Medicare primary

Development

Pre-65 individuals with serious health conditions may qualify for Social Security Disability Insurance (SSDI) and Medicare. Most don't know they are eligible for SSDI after retirement and do not pursue these benefits.

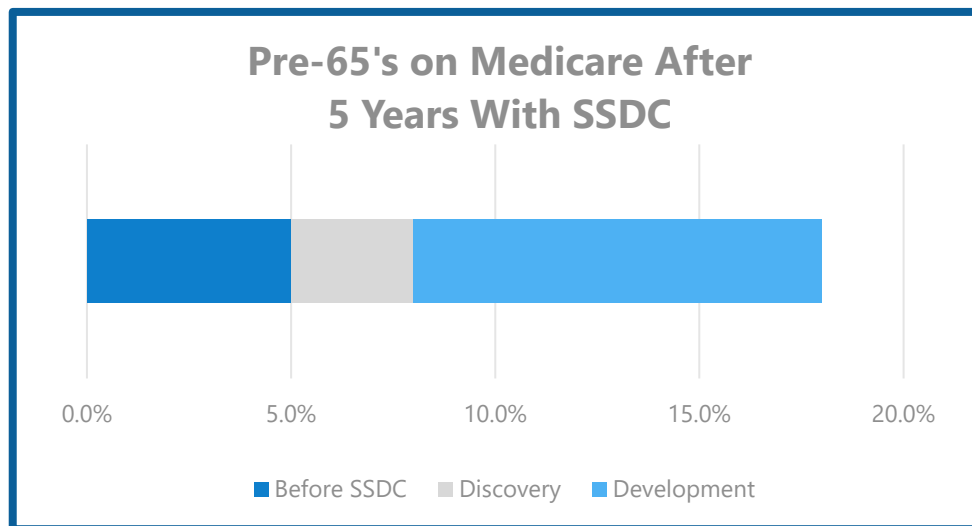
SSDC increases Medicare in the population by:

- Developing communication materials to educate retirees about the SSDI benefit
- Performing multiple outreaches to targeted populations
- Analyzing responses to determine SSDI eligibility
- Representing qualified individuals in their claim for SSDI and Medicare
- We achieve awards for 60 to 70% of the claimants within 9 months

Our fees are all contingent and are charged only when we win an SSDI award and their future Medicare eligibility is established

Medicare Maximization Results

- Build pre-65 Medicare population to 15% or higher over 3-5 years.
- Optimize and maintain increased level of pre-65 retiree Medicare population on an ongoing basis.
- Annual average savings of over \$12,000 per member.
- Average savings of 5 years per member.
- Long term Return On Investment (ROI) is over 10:1.



Every Retiree on Medicare, Under Age 65 Saves the Organization Thousands per Year

Value

- The Plan
 - Significantly reduce current and future health care expenditures
 - Reduces long term liability that is recognized in the reduction of FAS 106 or GASB 74 and 75 statements
- Retirees
 - Secure significant additional lifetime income from early Social Security benefits and cost of living increases.
 - Expanded medical coverage by adding Medicare to employer coverage.

Average Customer Results

SSDC's customers range from under 500 to over 50,000 pre-65 retirees and spouses. After 5 years, they achieve:

- 16.8% of members moved to Medicare primary due to SSDC services
- Estimated savings for each member moved to Medicare primary was over \$54,000
 - Self-insured savings per year is \$11,456*
 - Fully insured savings is the difference in pre-Medicare and post-Medicare organization paid premium

References in your size range is available upon request

*Source: 2018 Medicare Trustees Report