

# COUNTY OF MUSKEGON

## Muskegon, Michigan



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

PREPARED BY  
DEPT. OF FINANCE & MANAGEMENT SERVICES/ACCOUNTING

JOSEPH W. SIEDENSTRANG, CPA  
ACCOUNTING MANAGER

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

County of Muskegon  
Muskegon, Michigan

September 30, 2006

## **BOARD OF COMMISSIONERS JAMES J. DEREZINSKI, CHAIRMAN**

DON ALEY  
CHARLES L. BUZZELL  
MARVIN R. ENGLE  
BILL GILL  
LOUIS A. MCMURRAY

ROBERT SCOLNIK  
I. JOHN SNIDER II  
ROGER C. WADE  
NANCY A. WATERS  
STEPHEN R. WISNIEWSKI

**COUNTY ADMINISTRATOR  
JAMES BORUSHKO**

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# MUSKEGON COUNTY

M I C H I G A N

## BOARD OF COMMISSIONERS

James J. Derezinski  
Chair, District 4

I. John Snider II  
Vice Chair, District 3

P. Don Aley  
District 7

Charles L. Buzzell  
District 2

Marvin R. Engle  
District 5

Bill Gill  
District 8

Louis A. McMurray  
District 9

Robert Scolnik  
District 11

Roger C. Wade  
District 10

Nancy A. Waters  
District 6

Stephen R. Wisniewski  
District 1

December 16, 2006

To Honorable James Derezinski, Chairman, Members Board of Commissioners and Citizens of Muskegon County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Muskegon for the fiscal year ended September 30, 2006.

This report consists of management's representations concerning the finances of the County of Muskegon. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. Management of the County of Muskegon has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County of Muskegon's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County of Muskegon's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County of Muskegon's financial statements have been audited by Pridnia LaPres, PLLC, a firm of licensed certified public accountants. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County of Muskegon's financial statements for the fiscal year ended September 30, 2006, are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Muskegon's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The County of Muskegon, incorporated in 1859, is located in the western part of the state, which is considered to be a strong employment area in the state, and one of the top tourism areas. The County of Muskegon currently occupies a land area of 527 square miles and serves a population of 170,200 (2000 U.S. Census). The County of Muskegon is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County of Muskegon has operated under the elected Board of Commissioners form of government since 1970. Policy-making and legislative authority are vested in a governing Board consisting of the chairman and ten other members. The governing Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring. The administrator is responsible for carrying out the policies and ordinances of the County's governing body, for overseeing the day-to-day operations of the government. The Board is elected on a partisan basis by district. Board members serve two-year terms.

The County provides a full range of municipal services. These services are either mandated by State statute or authorized by the County Board of Commissioners. These include legislative, judicial, public safety (police), health, mental health, welfare, culture, recreation, public improvements, wastewater treatment, solid waste disposal, transportation (airport and bus service), and general administrative services, including vital statistics and record keeping for births, deaths and property. Certain roadway services are provided by our component unit, the Muskegon County Road Commission.

The County adopts its annual budget in accordance with the State Uniform Budgeting and Accounting Act. The general, special revenue, and debt service funds are under formal budgetary control. All departments of the County of Muskegon are required to submit budget requests to the Administrator in February. The Administrator then presents a proposed budget to the Board for review. The Board holds public hearings in August and September and a final budget is approved prior to September 30, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Management can do transfers within funds at the departmental level without governing Board approval for other than the General Fund. Transfer of appropriations between funds, however, require special approval of the Board.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of Muskegon operates.

**Local Economy.** Muskegon County is a growing area in Western Michigan. Part of the Grand Rapids - Muskegon - Holland Metropolitan Statistical Area (MSA), this growing region has a population over 1.1 million people. Muskegon is and continues to be a place of industrial development with major manufacturers in aerospace, automotive, defense, life sciences, and related industries. The industrial base in Muskegon contributes to the economic growth of the area and helps new industries like energy technology. The quality of life near the fresh water lakes makes Muskegon and all of West Michigan the “place for fun in the sun”. This is why Industry Week consistently ranks West Michigan as a "World Class" community.

Employment growth in the West Michigan region was more than double the growth in the State of Michigan over the past 30 years. Total wage and salary employment in West Michigan leaped 16.2% during the past 10 years. This compares to a 12.3% increase for Michigan and a 14.8% increase for the United States. Total employment growth in Muskegon County grew 19.5% from 1990-2005. The unemployment rate dropped from a high of 12% in 2003 to 5.4% in October 2005.

While manufacturing employment has been struggling to maintain growth in the US and State, Muskegon experienced a 1.03% growth since 2003 (Muskegon Area First). The commercial, industrial and tourism components of the economy continue to remain vibrant. Important individual companies in the County, their employment and business are as follows:

Howmet Turbine Components Corp. (A subsidiary of Alcoa Inc) - This company has over 2,400 employees and is the County’s largest employer. Howmet manufactures investment grade castings for the aerospace industry. Howmet is the largest defense contractor in West Michigan.

Mercy General Health Partners - This company employs approximately 2,100 employees. They provide comprehensive health care services for the community. The Mercy General system also provides regional health care services which include heart and kidney specialty centers.

Hayes-Lemmerz - This company has approximately 550 employees. They manufacture automotive piston rings and are the world’s largest supplier. They maintain their division headquarters in Muskegon.

Verizon - This company, with regional offices locally, has approximately 450 employees and provides telecommunication services throughout the state of Michigan.

L-3 Communications - This company has approximately 450 employees and manufactures military engines and transmissions and is a large prime defense contractor in Muskegon County.

Eagle Alloy - This company is locally owned, has approximately 350 employees and manufactures steel castings.

Michigan Adventure - Muskegon County is home to the only amusement park in Michigan, featuring the state’s largest water park and the world’s third largest wooden roller coaster. It attracts over 550,000 visitors annually and employs over 1,400 in the summer season.

In addition, other significant employers in Muskegon County include: Hackley Health Systems (1600), Holland USA (300, automobile supplier), Adac Plastics (480, automotive), Meijer Inc. (1100, retail sales), Michigan State Government (347, prisons), Johnson Technology (470, aerospace), and Muskegon Public Schools (1100, education).

Retail sales within the County have grown by 63% during the last nine years as well. The retail sales are as follows:

1997	\$1,358,224,000		2002	\$1,803,714,000
1998	\$1,419,899,000		2003	\$1,791,460,000
1999	\$1,522,000,000		2004	\$2,076,771,000
2000	\$1,710,662,000		2005	\$2,170,576,000
2001	\$1,782,984,000		2006	N/A

**Long-term financial planning.**

The County of Muskegon participates in a multiple employer defined benefit pension plan for its employees. Each year an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the County of Muskegon must make to the pension plan to ensure that the plan will be able to fully meet its obligation to retired employees on a timely basis. As a matter of policy, the County of Muskegon fully funds each year’s annual required contribution to the pension plan as determined by the actuary. As a result of the County of Muskegon’s conservative funding policy, the County of Muskegon has succeeded as of December 31, 2005, in funding 87 percent of the present value of the projected benefits earned by employees.

The County of Muskegon also provides post-retirement health and dental care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 368 retired employees receiving these benefits, which are financed on a pay as-you-go basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer’s obligation to provide these benefits. Additional information on the County of Muskegon’s pension arrangement and post-employment benefits can be found in Notes 8 and 12 in the notes to the financial statements. The County has approved a retiree trust for health benefits to be funded on an actuarial basis effective September 26, 2006. This trust will be handled by our pension provider and will be in place for the fiscal year starting October 1, 2006.

**Relevant financial policies.** Per Michigan Statutes Annotated (M.S.A.)843 (1) the Board of Commissioners has authorized the County Treasurer to invest surplus funds belonging to, or under the control of the county, in certificates of deposits, commercial paper, and direct obligations of the United

States. The investment limits are 1) no more than 50% in commercial paper, and 2) any investment in commercial paper must have a rating within the three highest classifications of two standard rating agencies.

It is the county's policy to safeguard all investments to the maximum practicable and allowed by law. To this end, third-party safekeeping and collateralization is used where available. If these are not available, close monitoring of the investment's underlying security (usually the issuer) is made and continual evaluation is done as to the issuer's stability in the marketplace.

Idle cash of the County of Muskegon was invested in certificates of deposit, commercial paper, and money market funds in accordance with state law and local policy. The investment program yielded \$2,106,235 in 2005, and \$3,418,129 in 2006 for an average yield of 2.68 percent and 4.38 percent, respectively.

Investment of idle cash is one of the few means which the county has to increase revenues without increasing taxes or fees. Strong cash management efforts have made the county successful with its cash returns.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Wastewater enterprise fund, of the Solid Waste enterprise fund, and the Airport enterprise fund are charges to customers for sales and services. The County's internal service funds recognize as operating revenue internal transfers intended to recover the cost of providing specific benefits and equipment to employees and departments within County operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

### **Major initiatives.**

In 2006, with the shift in County property taxes from a December assessment to July, the County was able to move the increase in taxable value of real property, as computed by the equalization department, to the current fiscal year versus the next fiscal year. This has resulted in an increase in property tax revenue in the current year of \$1.8 million. Ongoing into future years, this backward shift in assessment will result in an estimated additional property tax increase for the General fund of \$2.5 million for 2007 and \$1.2 million for 2008 and forward.

Starting in 2002, the County embarked on a collaborative agreement between multiple governmental entities to develop and build a County-wide fiber communications network that would service Central Police and Fire Dispatch, all school districts and the County government operations. In 2006, the building of the fiber backbone was 80% complete and is expected to be completed by December 2006. Upon completion, the network is expected to service at least 79 individual locations with video, data, internet and telephone communications.

Our wastewater system has started the process of rebuilding lift stations and providing backup systems in case of equipment failure. This 16 million dollar phase I replacement and upgrade started in 2005 and will be completed in 2007. In phase II (started in 2006), there will be a complete replacement of the largest lift station ( C ) for 14 million dollars. Both these projects will be funded by State revolving fund loans at extremely low rates of interest. The current loan interest rate is 1.625%

### **Awards and Acknowledgments**

In 2006, independent auditors were engaged for the thirty first consecutive fiscal year to perform an annual audit of the county's books of account, financial records, and transactions. The opinion of Pridnia LaPres, PLLC, independent certified public accountants, is included in this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Muskegon for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2005. This was the twenty eighth consecutive year that the county has received this prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized (comprehensive annual/component unit) financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance and Management Services Department and particularly our accounting staff. I would like to express my gratitude to all members of the department. I would also like to thank you and the members of the Muskegon County Board of Commissioners for your interest and support in planning and conducting the financial operations of the County of Muskegon in a responsible and progressive manner.

Respectfully submitted,



James Borushko  
Administrator

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Muskegon  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Thomas J. Blain".

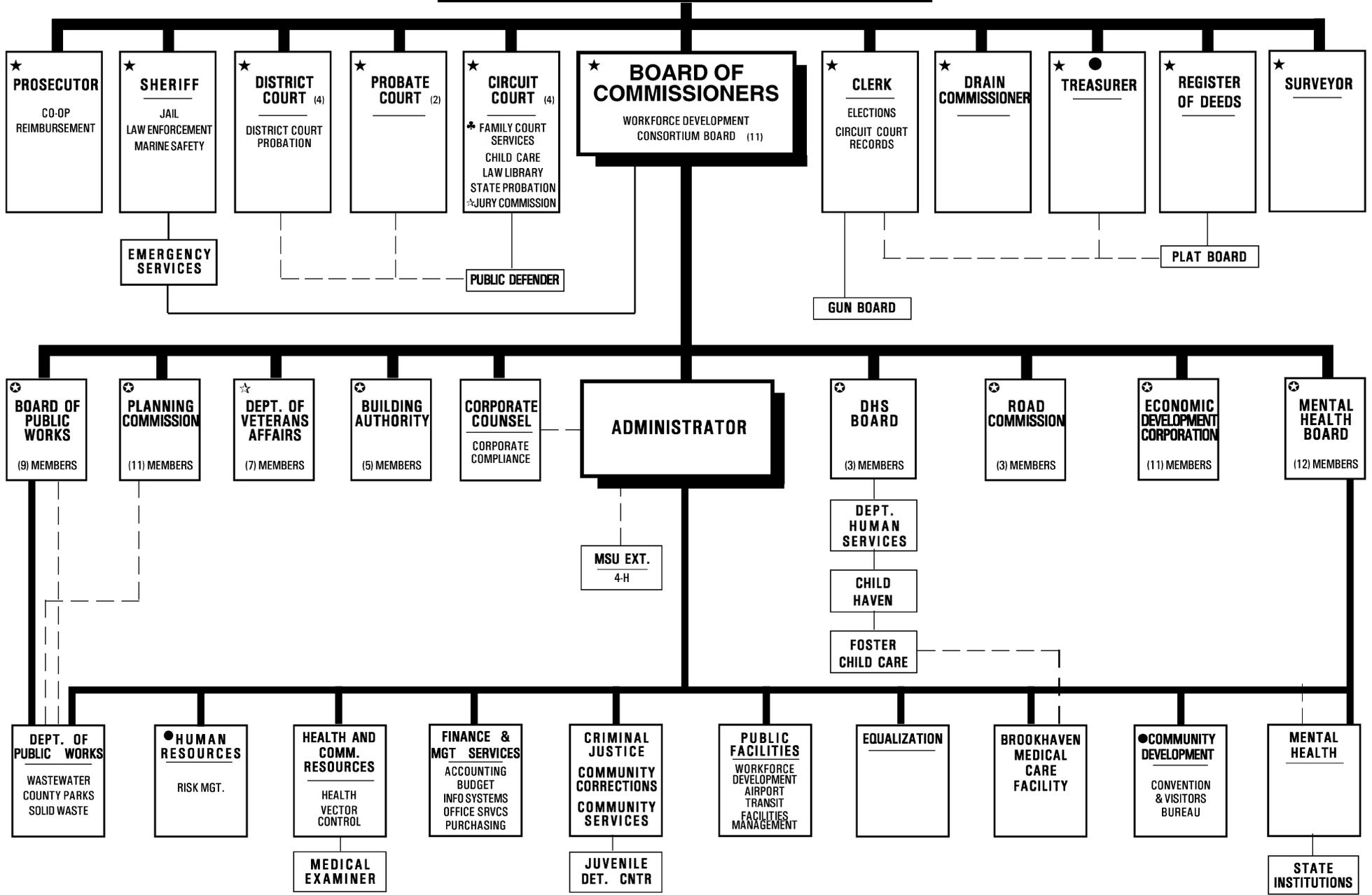
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

# 2006 ORGANIZATIONAL CHART

## ELECTORATE MUSKEGON COUNTY



**LEGEND:** ★ ELECTED POSITION    ☆ STATE APPOINTMENT OR CONCURRENCE    ⚙️ AUTONOMOUS OR SEMI-AUTONOMOUS FUNCTION (MEMBERS APPOINTED BY BOARD OF COMMISSIONERS)    ● INTRAGOVERNMENTAL    ✦ FAMILY COURT SERVICES CONSISTS OF: FRIEND OF THE COURT, FOC CO-OP REIMBURSEMENT, FAMILY COUNSELING SERVICE, JUVENILE COURT AND INTENSIVE PROBATION    - - - RELATED FUNCTION (OPERATIONS)

**County of Muskegon**  
List of Elected Officials  
September 30, 2006

**COMMISSIONERS**

STEPHEN R. WISNIEWSKI, DISTRICT 1  
CHARLES L. BUZZELL, DISTRICT 2  
I. JOHN SNIDER II, DISTRICT 3  
JAMES J. DEREZINSKI, DISTRICT 4  
MARVIN R. ENGLE, DISTRICT 5  
NANCY A. WATERS, DISTRICT 6

DON ALEY , DISTRICT 7  
BILL GILL, DISTRICT 8  
LOUIS A. MCMURRAY, DISTRICT 9  
ROGER C. WADE, DISTRICT 10  
ROBERT SCOLNIK, DISTRICT 11

**COUNTY OFFICIALS**

KAREN BUIE, COUNTY CLERK  
TONY MOULATSIOTIS, COUNTY TREAS.  
MARK F. FAIRCHILD, REG. OF DEEDS  
GEORGE M. JURKAS, COUNTY SHERIFF

TONY D. TAGUE, PROSECUTOR  
MARTIN L. HULKA, DRAIN COMMISSIONER  
STEPHEN VALLIER, COUNTY SURVEYOR

**DISTRICT COURT JUDGES**

MICHAEL J. NOLAN  
ANDREW WIERENGO, III

HAROLD F. CLOSZ

**CIRCUIT COURT JUDGES**

JAMES M. GRAVES, JR.  
WILLIAM C. MARIETTI

TIMOTHY G. HICKS  
JOHN C. RUCK

**FAMILY COURT JUDGES**

NEIL G. MULLALLY-PART TIME  
JOHN C. RUCK

WILLIAM C. MARIETTI-PART TIME  
GREGORY PITTMAN

**PROBATE COURT JUDGES**

NEIL G. MULLALLY

GREGORY PITTMAN



3145 HENRY STREET, STE. 200  
MUSKEGON, MI 49441-4052  
TEL: 231-739-9441  
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WWW.PRIDNIALAPRES.COM

## Independent Auditors' Report

To the Board of Commissioners of the  
County of Muskegon, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Muskegon, Michigan, as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Muskegon's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Muskegon County Road Commission, the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Muskegon County Road Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Muskegon, Michigan, as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2006, on our consideration of the County of Muskegon's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information and schedule of funding progress on pages 15 through 29 and pages 90 through 94 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Muskegon's basic financial statements. The introductory section, combining funds statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining funds statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Prudnia LaPres, PLLC*

Muskegon, Michigan  
December 6, 2006

## Management's Discussion and Analysis

Management of the County of Muskegon offers readers of these financial statements a narrative overview of the financial condition and activities for the year ended September 30, 2006. Please read this narrative in conjunction with the review of our financial statements, financial statement notes and the transmittal letter.

### Financial Statement Presentation

The financial statements presented herein include all the activities of the County of Muskegon and its component units using the format as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The County of Muskegon's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the financial statements themselves.

### THE COUNTY AS A WHOLE

**Government-wide financial statements.** The "government-wide financial statements" are designed to provide readers with a broad overview of the County of Muskegon's finances, in a manner similar to a private-sector business. These statements are presented on the full accrual basis of accounting which when viewed from the economic resources measurement focus can be used to determine whether the County has improving or deteriorating finances.

The "statement of net assets" presents information on all of the County of Muskegon's assets and liabilities, with the difference between the two being reported as "net assets". Over the years, increases or decreases in net assets may serve as one indicator of the change in the financial condition of the County.

The "statement of activities" presents how the net assets changed during the period just ended. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Example of timing differences are uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the County of Muskegon that are primarily supported by tax and intergovernmental pass through revenues (*governmental activities*) from other functions that were created and intended to recover most or all of their costs through user fees and charges for services (*business-type activities*). The governmental activities include legislative, judicial, general county

government, public safety, health, welfare, culture, recreation, and debt service. The business type activities include solid waste management, wastewater and an international airport.

The government-wide financial statements include not only the County of Muskegon (*the primary government*) but also a legally separate Road Commission. The board of this organization is appointed by the County and there is a potential for liability to the County. The financial information of this component unit is reported separately from the financial information of the primary government itself.

### **Reporting on the County's major funds**

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control and reporting of resources that are segregated for a specific purpose or activity with defined objectives. The County of Muskegon is required by State law to use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Muskegon are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The County of Muskegon maintains over one hundred fifty individual funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Community Mental Health, Managed Care, Brookhaven, and Water and Sewer Debt. All of these funds are considered major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non major governmental funds is provided in the form of combining statements elsewhere in the report.

The County of Muskegon adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgetary comparisons (original and final) have been provided for the major funds to demonstrate compliance with the budgets as required supplementary information. A comparison of budget to actual expenditures is provided for all non major governmental funds in the combining financial statements - governmental activities by fund type.

**Proprietary funds.** The County of Muskegon maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as “business-type activities” in the government-wide financial statements. The County uses enterprise funds to account for fairgrounds, delinquent taxes, solid waste, fly ash disposal, airport, transportation, water and sewer operations. Internal service funds are used to accumulate and allocate costs internally among the County’s various functions. The County uses internal service funds to account for central printing, building maintenance, building and equipment purchases, insurance and risk management. Because these services predominantly benefit governmental rather than business-type activities, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste, Airport and Wastewater Management, all of which are considered major funds of the County. Conversely, both internal service funds and other enterprise funds are combined into single column presentations in the proprietary fund financial statements. Individual fund data for the non major proprietary funds is provided in the form of combining statements elsewhere in this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County’s own operations. The accounting used for fiduciary funds is like that used for proprietary funds (full accrual).

**Notes to the basic financial statements.** The notes provide additional information that is important to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information concerning the County’s budgetary information as it relates to the actual expended and certain pension information with the corresponding trend data.

The combining statements referred to earlier in connection with non major governmental funds and internal service funds are presented immediately following the required supplementary information.

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

As noted previously, net assets may serve as a useful indicator of the County’s overall financial health. The County of Muskegon’s assets exceed liabilities by \$192,497,108 at the close of Fiscal year 2006.

The largest portion of net assets in the County (69%) are its capital assets (land, buildings, machinery and equipment), less related debt outstanding used to acquire these assets. The County uses these capital assets to provide services to Muskegon County residents and therefore, are not available for disposal to fund future projects or operations. Although the County’s investment in capital assets is reported net of capital debt, it is noted that resources needed to retire this debt must come from future sources of revenue, as the assets themselves can’t be used to liquidate these obligations.

**County of Muskegon Net Assets**

Major Categories	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Cash and Investments	\$52,784,647	\$38,409,856	\$31,727,555	\$33,556,401	\$84,512,202	\$71,966,257
Receivables	42,237,070	22,540,009	12,389,434	12,607,679	54,626,504	35,147,688
Other Current Assets	3,057,987	152,714	1,352,193	1,231,174	4,410,180	1,383,888
Long Term Assets	5,740,406	3,386,899	-	-	5,740,406	3,386,899
Capital Assets	59,692,240	63,499,386	130,296,182	113,236,222	189,988,422	176,735,608
<b>Total Assets</b>	<b>163,512,350</b>	<b>127,988,864</b>	<b>175,765,364</b>	<b>160,631,476</b>	<b>339,277,714</b>	<b>288,620,340</b>
Other Liabilities	24,348,312	22,705,306	17,667,954	12,220,089	42,016,266	34,925,395
Long Term Liabilities	59,195,323	44,031,168	45,569,017	35,934,944	104,764,340	79,966,112
<b>Total Liabilities</b>	<b>83,543,635</b>	<b>66,736,474</b>	<b>63,236,971</b>	<b>48,155,033</b>	<b>146,780,606</b>	<b>114,891,507</b>
Net Assets:						
Investment in capital assets net of related debt	41,017,834	39,164,564	91,214,091	85,313,979	132,231,925	124,478,543
Restricted	18,875,765	21,603,690	2,594,326	3,464,196	21,470,091	25,067,886
Unrestricted	20,075,116	484,136	18,719,976	23,698,268	38,795,092	24,182,404
<b>Total Net Assets</b>	<b><u>\$79,968,715</u></b>	<b><u>\$61,252,390</u></b>	<b><u>\$112,528,393</u></b>	<b><u>\$112,476,443</u></b>	<b><u>\$192,497,108</u></b>	<b><u>\$173,728,833</u></b>

A portion (11%) of the County's net assets have certain restrictions placed on their use. The remaining balance of unrestricted net assets (\$38,795,092) can be used to meet the County's ongoing obligations to its residents and creditors.

A major portion (41%) of the Governmental total assets in the County are in liquid and short term receivables that give us a great ability to meet current obligations of short and long term nature. This ability translates into the freedom to meet changing conditions in the market place as well as changes in the economy of the surrounding area. The strength of our unrestricted net assets shows that we are aware of the ever changing face of government's operations and are prepared to respond to those needs.

**Governmental Activities:**

Governmental activities increased the County's net assets by (\$18,716,325). This increase in net assets was primarily due to increases in bond proceeds. Other elements of the increase are as follows:

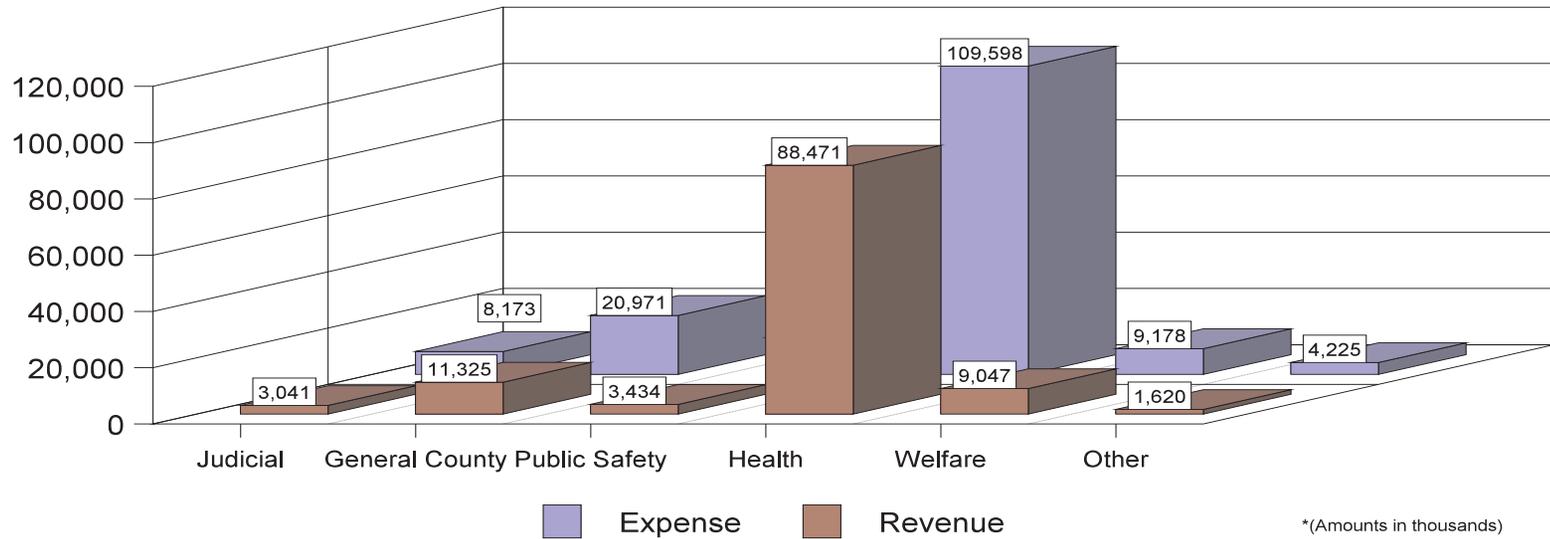
**Muskegon County Changes in Net Assets**

	Governmental Activities 2006	Governmental Activities 2005	Business-type Activities 2006	Business-type Activities 2005	Total 2006	Total 2005
Revenues						
Program Revenues						
Operating Grants and Contributions	\$33,517,798	\$30,783,074	\$2,982,286	\$2,828,493	\$36,500,084	\$33,611,567
Charges for services/Sales	83,420,057	86,759,376	20,258,248	18,801,669	103,678,305	105,561,045
Capital Grants and contribution	-	-	2,322,572	2,380,059	2,322,572	2,380,059
General Revenues						
Taxes	35,075,577	31,293,548	-	-	35,075,577	31,293,548
Investment Earnings	2,158,371	1,148,997	1,259,758	957,238	3,418,129	2,106,235
Special Assessments	20,580,000	-	-	-	20,580,000	0
Rentals	742,680	809,683	-	-	742,680	809,683
Contributions from private sources	1,709,700	1,756,826	-	-	1,709,700	1,756,826
Other	6,881,147	6,604,124	344,029	349,350	7,225,176	6,953,474
Total Revenues	<u>\$184,085,330</u>	<u>\$159,155,628</u>	<u>\$27,166,893</u>	<u>\$25,316,809</u>	<u>\$211,252,223</u>	<u>\$184,472,437</u>

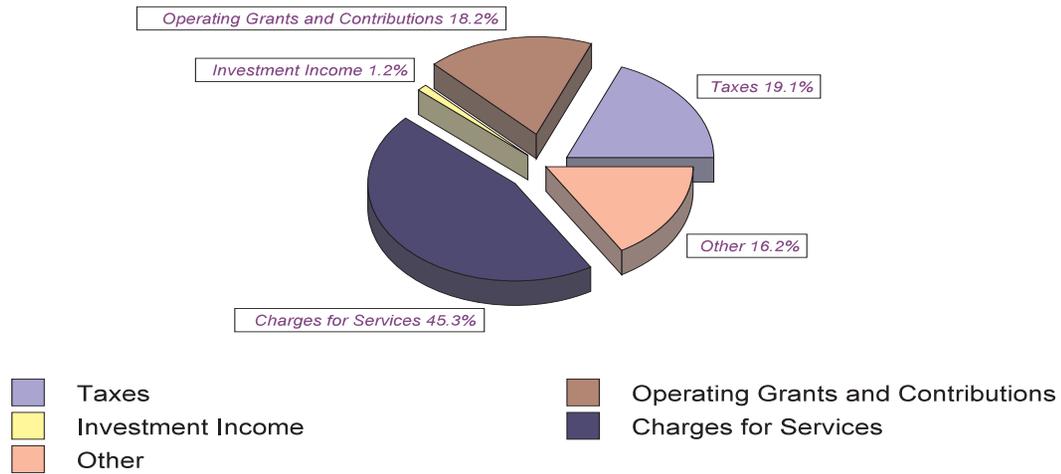
**Muskegon County Changes in Net Assets (continued)**

	Governmental Activities 2006	Governmental Activities 2005	Business-type Activities 2006	Business-type Activities 2005	Total 2006	Total 2005
Expenses						
Legislative	\$437,877	\$408,142	\$ -	\$ -	\$437,877	\$408,142
Judicial	8,173,303	7,801,412	-	-	8,173,303	7,801,412
General County Government	20,971,396	22,972,284	-	-	20,971,396	22,972,284
Public Safety	13,218,610	12,922,723	-	-	13,218,610	12,922,723
Health	109,597,557	103,896,755	-	-	109,597,557	103,896,755
Welfare	9,177,822	7,668,031	-	-	9,177,822	7,668,031
Culture	308,449	1,447,106	-	-	308,449	1,447,106
Recreation	797,622	774,439	-	-	797,622	774,439
Other	1,277,860	616,973	-	-	1,277,860	616,973
Debt Service Interest	1,241,729	1,073,850	-	-	1,241,729	1,073,850
Debt Service Other	162,138	88,370	-	-	162,138	88,370
Solid Waste	-	-	3,526,550	915,681	3,526,550	915,681
Airport	-	-	2,473,589	2,763,880	2,473,589	2,763,880
Wastewater	-	-	15,023,204	15,155,339	15,023,204	15,155,339
Other proprietary funds	-	-	6,096,242	4,686,321	6,096,242	4,686,321
Total Expenses	<u>165,364,363</u>	<u>159,670,085</u>	<u>27,119,585</u>	<u>23,521,221</u>	<u>192,483,948</u>	<u>183,191,306</u>
Increase (decrease) in net assets before transfers	18,720,967	(514,457)	47,308	1,795,588	18,768,275	1,281,131
Transfers	(4,642)	1,181,995	4,642	(1,181,995)	0	0
Increase (decrease) in net assets	18,716,325	667,538	51,950	613,593	18,768,275	1,281,131
Net Assets - October 1 (restated)	<u>61,252,390</u>	<u>60,584,852</u>	<u>112,476,443</u>	<u>111,862,850</u>	<u>173,728,833</u>	<u>172,447,702</u>
Net Assets - September 30	<u>\$79,968,715</u>	<u>\$61,252,390</u>	<u>\$112,528,393</u>	<u>\$112,476,443</u>	<u>\$192,497,108</u>	<u>\$173,728,833</u>

## Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities



- Property taxes increased by \$3,782,000 (11 percent) during the year. This increase reflects the State accelerating collection of personal property tax from December to July and our increase in value within the County by 5%.
- 
- Operating Grants and Contributions increased 8% resulting from the State and Federal government increasing their participation in programs.
- Health expenditures increased by 6% due to increasing costs of children in institutional settings and sewer infrastructure improvements.
- Investment income increased by 188% due to increases in the market rates for CD's and other instruments.

**Business-type activities.** Business-type activities increased the County of Muskegon's net assets by \$51,950. A substantial increase in wastewater revenues contributed to the increase in net assets.

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

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

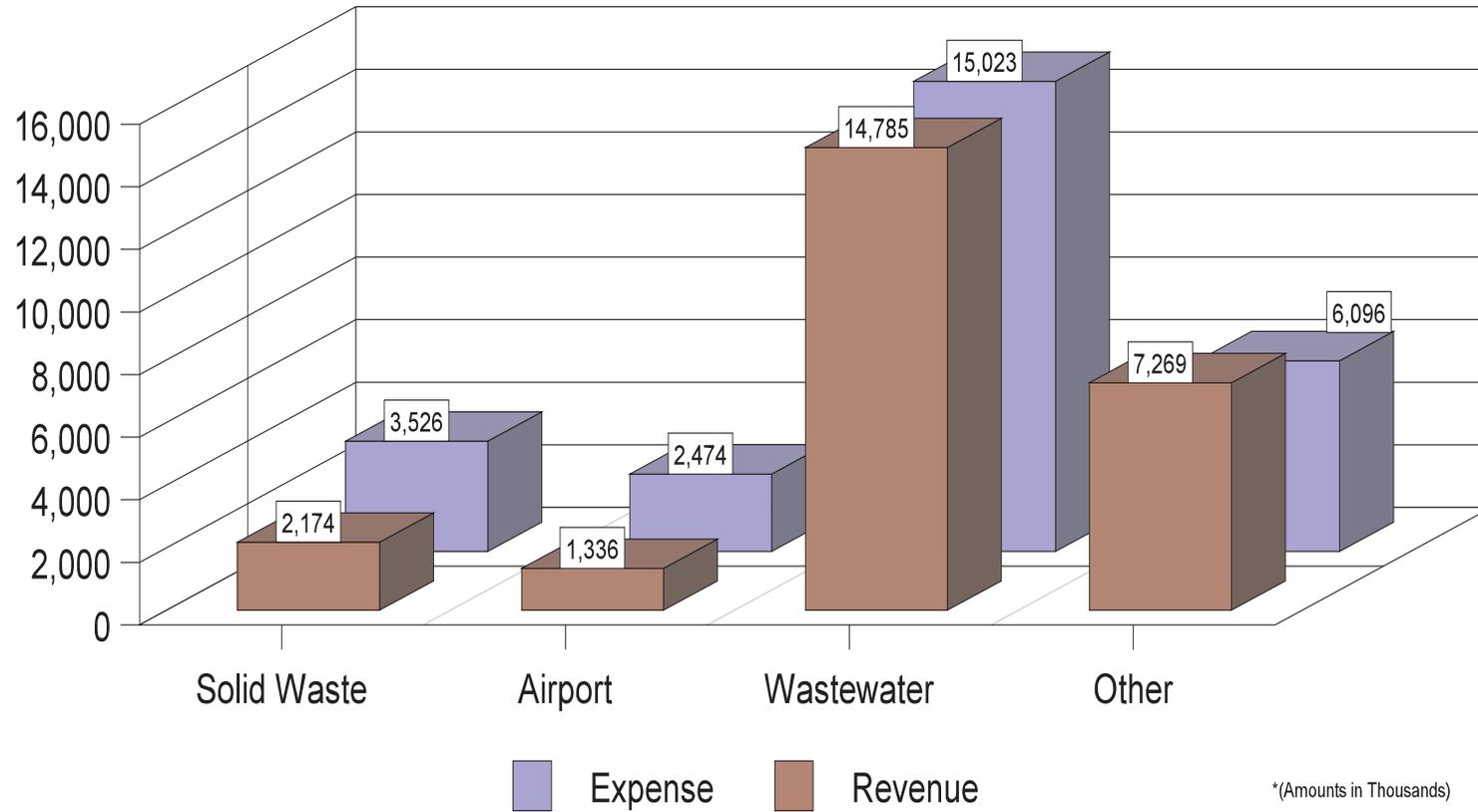
**Governmental funds.** The focus of the County of Muskegon's governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the County of Muskegon's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

For the current fiscal year, the County of Muskegon's governmental funds reported combined ending fund balances of \$37,486,423, a increase of \$12,747,568 in comparison with the previous year. Approximately 45% of the fund balance (\$16,722,040) constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$14,025,982), 2) to pay debt service (\$1,585,353), 3) to cover a potential bad debt from a prior capital projects (\$1,300,000), 4) to hold for future grant expenditures (\$2,871,673), 5) for perpetual care (\$52,577), for inventory and prepaid items (\$340,180), or for long term advances to other funds (\$588,618).

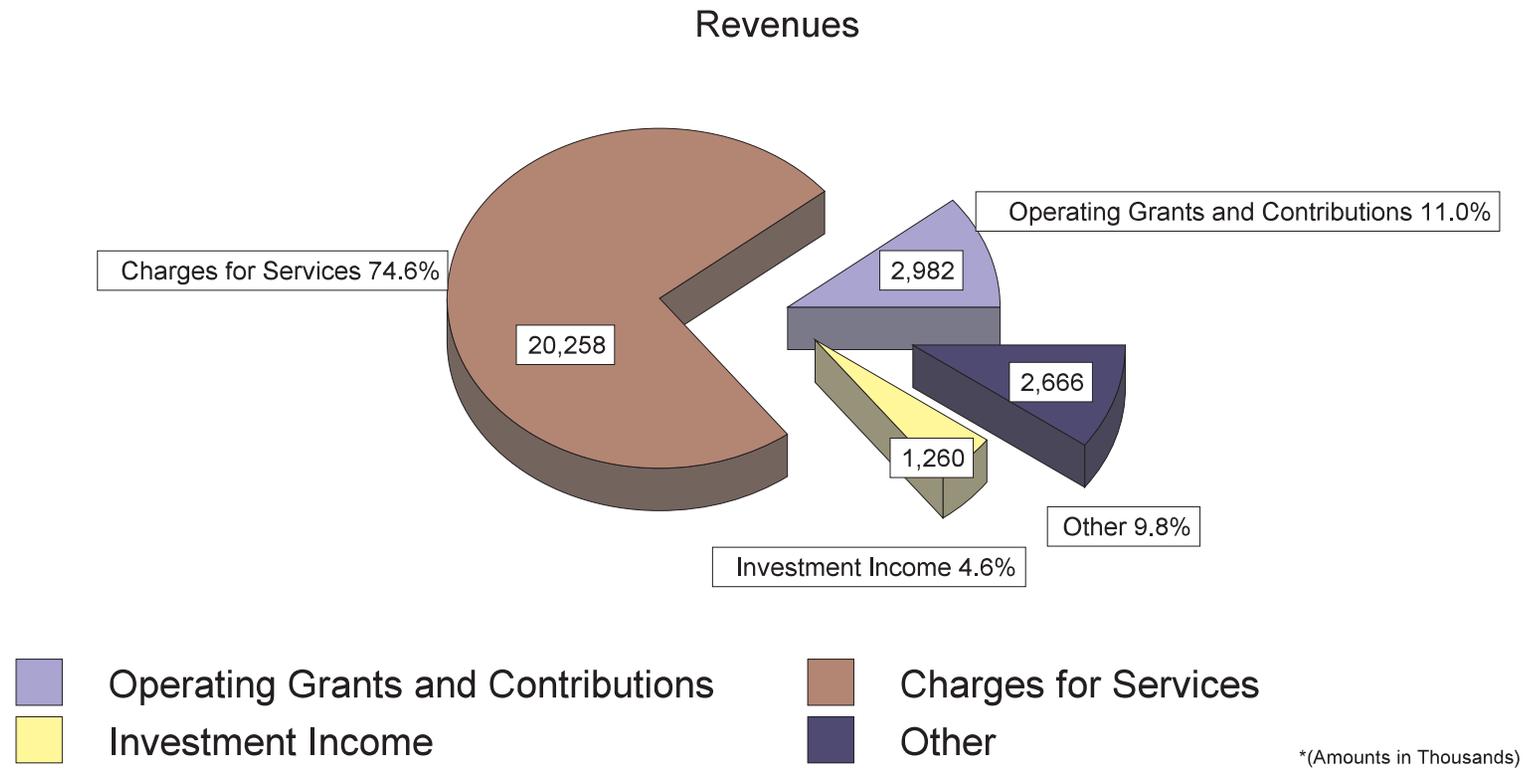
The general fund is the chief operating fund of the County of Muskegon. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,469,698 while total fund balance was \$8,100,381. As one measure of the general fund's liquidity, it is useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 17% of total general fund expenditures, while total fund balance represents 19% of that same amount. A comparison to prior year percentages show that unreserved and total fund balances both decreased by 1 percent.

Major revenues in the taxes area increased by \$3,782,000 and operating grants increased \$2,735,000 while program revenues dropped \$2,953,000. Interest earnings went up \$830,000 with expenses increasing \$13,102,000. The selling of \$20,580,000 worth of bonds accounted for the majority of increases in fund balances and expenses.

## Expenses and Program Revenues - Business-Type Activities



## Revenues by source - Business-Type activities



The debt service funds have a total fund balance of \$1,585,353, all of which is reserved for debt service payments. The decrease in the debt service funds balance of \$175,274 reflects the governmental decision to only put amounts into the debt funds sufficient for debt payments currently due and payable within one year. There was one bond issuance during the year of \$20,580,000 and principal payments for the current year of \$6,460,000

**Proprietary funds.** The County of Muskegon proprietary funds provide the same type of information found in the government-wide financial

statements, but in more detail. Unrestricted net assets of the County Wastewater system were \$1,935,299, with the Airport and the Solid Waste site at \$0 and \$0, respectively. The total growth (reduction) in net assets for these three funds was \$352,679, \$403,024, and (\$976,244), respectively. Other factors concerning these funds have already been addressed in the discussion of the County of Muskegon's business-type activities.

### **General Fund budgetary highlights**

The increase between the original revenue budget and the final amended budget were small (less than 3%) and is briefly summarized as follows:

- Increases in taxes due to the State moving the county property tax collection date back from December 1<sup>st</sup> to July 1<sup>st</sup> each year.
- Increases in investment income reflecting rising interest rates on investments.

Budgeted expenditures decreased by approximately \$1,242,000. The largest decrease was in general county government for salary, fringe and general liability insurance costs (\$1,309,000). Total actual expenses came in under budget and allowed the increased revenues to flow through to the fund balance.

### **Capital Asset Administration**

**Capital Assets.** The County of Muskegon's investment in capital assets for its governmental and business-type activities as of September 30, 2006 amounts to \$190 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, lagoons, wastewater collection/distribution system, and capitalized interest and engineering. The total increase in the County of Muskegon's capital assets for the current fiscal year was 9%.

Major capital asset additions during the current fiscal year included the following:

- Continued Runway expansion (\$2,729,000)
- The construction of a new Coast Guard hangar (\$1,452,000)
- Expansion of a northern water system (\$4,576,000)
- Construction of a gas methane collection system for industrial use (\$623,000)
- Wastewater equipment replacement and improvements to existing pump stations (\$14,932,000)

**County of Muskegon's Capital Assets**  
(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2006	2005	2006	2005	2006	2005
Land	\$3,934,038	\$3,934,038	\$18,495,551	\$15,830,272	\$22,429,589	\$19,764,310
Land Improvements	3,132,290	3,307,333	9,704,481	10,267,115	12,836,771	13,574,448
Lagoons	-	-	6,362,187	6,457,494	6,362,187	6,457,494
Buildings & Improvements	47,750,316	49,221,692	16,116,995	15,144,241	63,867,311	64,365,933
Machinery & Equipment	4,218,381	4,077,337	6,180,748	6,268,045	10,399,129	10,345,382
Wastewater collection and distribution system	-	-	50,633,587	53,709,623	50,633,587	53,709,623
Capitalized interest & engineering	-	-	3,177,511	3,446,128	3,177,511	3,446,128
Construction in progress	657,215	336,766	19,625,122	2,113,304	20,282,337	2,450,070
<b>Total</b>	<b>\$59,692,240</b>	<b>\$60,877,166</b>	<b>\$130,296,182</b>	<b>\$113,236,222</b>	<b>\$189,988,422</b>	<b>\$174,113,388</b>

Additional information on the County of Muskegon's capital assets can be found in Note 6 of the "Notes to the Government Wide Financial Statements" of this report.

**Long-term debt.** At the end of the current fiscal year, the County of Muskegon had total bonded debt outstanding of \$92,459,017. Of this amount, \$18,580,000 comprises debt backed by the full faith and credit of the County; \$35,069,017 in revenue bonds backed by the County and participating municipalities; \$28,310,000 special assessment debt partially guaranteed by local municipalities; and finally, \$10,500,000 in delinquent tax notes backed by the property owners and secured by property tax liens.

The County's credit ratings was upgraded in 1998, 2000 and 2001. The current rating of A+ by Standard and Poors and a Moody's rating of A2 for general obligation debt is indicative of a strong economy for the County and results in lower bond interest costs.

### County of Muskegon's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
General Obligation Bonds	\$18,580,000	\$19,715,000			\$18,580,000	\$19,715,000
Special Assessment Debt with Governmental Commitment	28,310,000	8,055,000			28,310,000	8,055,000
Revenue Bond			\$35,069,017	\$25,200,000	35,069,017	25,200,000
Delinquent Tax Notes			10,500,000	10,500,000	10,500,000	10,500,000
Total	<u>\$46,890,000</u>	<u>\$27,770,000</u>	<u>\$45,569,017</u>	<u>\$35,700,000</u>	<u>\$92,459,017</u>	<u>\$63,470,000</u>

The County of Muskegon's total debt increased by \$28,989,017 during the current fiscal year. The increase is attributed to normal debt payoffs of \$13,155,000 and the sale of the current year notes and bonds in the amounts of \$9,000,000 and \$33,144,017, respectively. The County issues notes each year to fund property taxes that are unpaid by the due date of March 1<sup>st</sup>. The other bond issues were for water and sewer expansion and equipment replacement.

The change in the ratio of net general obligation bonded debt to taxable valuation and the amount of bonded debt per capita are useful indicators of the County's relative debt position. The 2006 ratio was .27% with the bonded debt per capita at \$62.40. In 2005, the ratio is .29% with a bonded debt per capita of \$68.65. The reduction in both these indicators show a trend that has been occurring since 1996 showing that the County is growing satisfactorily without an increase in corresponding debt load.

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

## Economic factors and General Outlook

For the period from October, 2002 through September, 2006, Muskegon County unemployment rates as compared to national rates were as follows:

	<u>Employment Data</u>							
	<u>2006</u> <u>County</u>	<u>2006</u> <u>USA</u>	<u>2005</u> <u>County</u>	<u>2005</u> <u>USA</u>	<u>2004</u> <u>County</u>	<u>2004</u> <u>USA</u>	<u>2003</u> <u>County</u>	<u>2003</u> <u>USA</u>
October	5.4	4.9	6.6	5.5	9.7	6.0	8.9	5.8
November	6.2	5.0	7.3	5.4	9.7	5.9	9.3	5.9
December	6.2	4.9	7.5	5.4	9.2	5.7	9.0	6.0
January	6.4	4.7	8.1	5.2	9.5	5.6	10.6	5.7
February	7.1	4.8	8.0	5.4	9.1	5.6	10.3	5.8
March	7.2	4.7	7.5	5.2	9.4	5.7	10.3	5.8
April	6.7	4.7	6.7	5.2	7.5	5.6	8.8	6.0
May	6.0	4.6	7.4	5.1	8.1	5.6	9.6	6.1
June	6.5	4.6	6.9	5.0	8.5	5.6	11.2	6.4
July	7.8	4.8	8.0	4.9	9.2	5.5	12.0	6.2
August	6.9	4.7	6.2	5.1	7.9	5.5	10.4	6.1
September	<u>6.9</u>	<u>4.6</u>	<u>6.1</u>	<u>5.0</u>	<u>7.8</u>	<u>5.4</u>	<u>9.8</u>	<u>6.1</u>
Average	<u>6.6</u>	<u>4.8</u>	<u>7.2</u>	<u>5.2</u>	<u>8.8</u>	<u>5.6</u>	<u>10.0</u>	<u>6.0</u>

Muskegon County's unemployment rate has decreased compared to 2003. This is attributed to reduction in dependence on the automotive industry and its affect on feeder companies for textile, structural steel and plastic components and electronic devices. Muskegon County's retail and residential growth continues to help improve the unemployment rate.

## **General**

The economic climate in Muskegon has improved. Unemployment has dropped below the 2003 level. Several projects and achievements have contributed to the growth and quality of living in Muskegon County. Some of the more significant are:

- Built a new facility for the United States Coast Guard for search and rescue operations on Lake Michigan
- Developed a regional water authority initially comprised of four townships and the County
- Constructed a methane gas collection system that provides cheap fuel to a local private company from our solid waste facility with a resultant savings in land fill costs of over \$1 million dollars in the next 30 years.
- Expanded our International airport runway system to handle larger commercial jets.
- Continued to expand our water and sewer system to urban areas to maintain a high quality aquifer for fish and wildlife.

## **Requests for Information**

This financial report is designed to provide a general overview of the County of Muskegon's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Muskegon, Office of the Administrator, 990 Terrace St., Muskegon Mi. 49442, telephone (231) 724-6520, or e-mail at [borushkoja@co.muskegon.mi.us](mailto:borushkoja@co.muskegon.mi.us).

*County of Muskegon*

*Statement of Net Assets  
September 30, 2006*

ASSETS	Primary Government			Component Unit
	Governmental	Business - Type	Total	Road
	Activities	Activities		Commission
Cash and cash equivalents	\$ 3,417,587	\$ 4,759,134	\$ 8,176,721	\$ 5,929,494
Investments	49,367,060	26,968,421	76,335,481	-
Receivables				
Accounts	3,154,885	3,642,716	6,797,601	-
Intergovernmental	6,203,329	746,489	6,949,818	2,261,456
Accrued interest	1,737,760	477,638	2,215,398	-
Current taxes	3,029,221	4,912,243	7,941,464	-
Delinquent taxes	-	4,169,381	4,169,381	-
Interest and penalties on delinquent taxes	-	1,158,774	1,158,774	-
Special assessments	27,992,662	-	27,992,662	-
Other	119,213	-	119,213	61,607
Prepaid Items	340,180	-	340,180	205,610
Prepaid expenses	-	70,168	70,168	-
Internal balances	2,717,807	(2,717,807)	-	-
Inventories	-	39,724	39,724	1,238,034
Restricted assets	-	1,242,301	1,242,301	314,764
Long-term note receivable	5,740,406	-	5,740,406	-
Land	3,934,038	18,495,551	22,429,589	20,167,237
Construction in progress	657,215	19,625,122	20,282,337	200,457
Capital Assets, net of accumulated depreciation	55,100,987	92,175,509	147,276,496	35,034,314
	<u>\$ 163,512,350</u>	<u>\$ 175,765,364</u>	<u>\$ 339,277,714</u>	<u>\$ 65,412,973</u>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Net Assets  
September 30, 2006*

LIABILITIES	Primary Government		Total	Component Unit Road Commission
	Governmental Activities	Business - Type Activities		
Payables				
Accounts	\$ 10,784,960	\$ 6,783,798	\$ 17,568,758	\$ 2,116,323
Intergovernmental	3,175,438	-	3,175,438	-
Advances	-	-	-	413,606
Accrued liabilities	9,804,691	10,497,808	20,302,499	71,450
Payable from restricted funds				
Accrued interest	-	386,348	386,348	-
Unearned revenue	583,223	-	583,223	460,425
Long-term debt				
Due within one year	7,316,435	11,820,000	19,136,435	415,000
Due in more than one year	51,878,888	33,749,017	85,627,905	1,510,062
Total liabilities	<u>\$ 83,543,635</u>	<u>\$ 63,236,971</u>	<u>\$ 146,780,606</u>	<u>\$ 4,986,866</u>
NET ASSETS				
Investment in capital assets net of related debt	\$ 41,017,834	\$ 91,214,091	\$ 132,231,925	\$ 54,077,922
Restricted for:				
Special Revenue	3,211,853	-	3,211,853	6,348,185
Closure Costs	-	2,594,326	2,594,326	-
Capital Projects	14,025,982	-	14,025,982	-
Debt Service	1,585,353	-	1,585,353	-
Permanent Fund - expendable	17,576	-	17,576	-
Permanent Fund - nonexpendable	35,001	-	35,001	-
Unrestricted	<u>20,075,116</u>	<u>18,719,976</u>	<u>38,795,092</u>	<u>-</u>
Total Net Assets	<u>\$ 79,968,715</u>	<u>\$ 112,528,393</u>	<u>\$ 192,497,108</u>	<u>\$ 60,426,107</u>

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Activities  
For the Year Ended September 30, 2006

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government Business-Type		Road Commission	
						Governmental	Activities		
<b>Primary Government:</b>									
<b>Governmental Activities</b>									
Legislative	\$ 437,877	\$ -	\$ -	\$ -	\$ -	(\$ 437,877)	\$ -	(\$ 437,877)	\$ -
Judicial	8,173,303	2,949,041	91,652	-	3,040,693	(5,132,610)	-	(5,132,610)	-
General County Government	20,971,396	6,086,063	5,238,518	-	11,324,581	(9,646,815)	-	(9,646,815)	-
Public Safety	13,218,610	729,935	2,704,505	-	3,434,440	(9,784,170)	-	(9,784,170)	-
Health	109,597,557	72,247,052	16,224,339	-	88,471,391	(21,126,166)	-	(21,126,166)	-
Welfare	9,177,822	-	9,047,185	-	9,047,185	(130,637)	-	(130,637)	-
Culture	308,449	-	89,289	-	89,289	(219,160)	-	(219,160)	-
Recreation	797,622	663,966	22,400	-	686,366	(111,256)	-	(111,256)	-
Other	1,277,860	744,000	99,910	-	843,910	(433,950)	-	(433,950)	-
<b>Debt Service</b>									
Interest	1,241,729	-	-	-	-	(1,241,729)	-	(1,241,729)	-
Other	162,138	-	-	-	-	(162,138)	-	(162,138)	-
<b>Total Governmental Activities</b>	<b>165,364,363</b>	<b>83,420,057</b>	<b>33,517,798</b>	<b>-</b>	<b>116,937,855</b>	<b>(48,426,508)</b>	<b>-</b>	<b>(48,426,508)</b>	<b>-</b>
<b>Business-Type Activities:</b>									
Solid Waste (5710)	3,526,550	2,173,661	-	-	2,173,661	-	(1,352,889)	(1,352,889)	-
Airport (5810)	2,473,589	1,164,515	30,919	140,662	1,336,096	-	(1,137,493)	(1,137,493)	-
Wastewater (5920)	15,023,204	12,640,293	14,305	2,130,000	14,784,598	-	(238,606)	(238,606)	-
Other Proprietary Funds	6,096,242	4,279,779	2,937,062	51,910	7,268,751	-	1,172,509	1,172,509	-
<b>Total Business-Type Activities</b>	<b>27,119,585</b>	<b>20,258,248</b>	<b>2,982,286</b>	<b>2,322,572</b>	<b>25,563,106</b>	<b>-</b>	<b>(1,556,479)</b>	<b>(1,556,479)</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 192,483,948</b>	<b>\$ 103,678,305</b>	<b>\$ 36,500,084</b>	<b>\$ 2,322,572</b>	<b>\$ 142,500,961</b>	<b>(48,426,508)</b>	<b>(1,556,479)</b>	<b>(49,982,987)</b>	<b>-</b>
<b>Component Unit:</b>									
Muskegon County Road Commission	\$13,076,442	\$2,867,584	\$9,390,713	\$1,245,372	\$13,503,669	-	-	-	\$ 427,227
<b>General Revenues:</b>									
Property Taxes						35,075,577	-	35,075,577	-
Investment Earnings						2,158,371	1,259,758	3,418,129	329,033
Rentals						742,680	-	742,680	-
Special Assessments						20,580,000	-	20,580,000	-
Gain (Loss) on Disposal of Assets						(51,187)	-	(51,187)	15,868
Donations (unrestricted)						1,709,700	-	1,709,700	-
Other						6,932,334	344,029	7,276,363	38,236
Transfers						(4,642)	4,642	-	-
<b>Total General Revenues, Special Items, and Transfers</b>						<b>67,142,833</b>	<b>1,608,429</b>	<b>68,751,262</b>	<b>383,137</b>
<b>Change in Net Assets</b>						<b>18,716,325</b>	<b>51,950</b>	<b>18,768,275</b>	<b>810,364</b>
<b>Net Assets - Beginning of Year (restated see note 17)</b>						<b>61,252,390</b>	<b>112,476,443</b>	<b>173,728,833</b>	<b>59,615,743</b>
<b>Net Assets - End of Year</b>						<b>\$ 79,968,715</b>	<b>\$ 112,528,393</b>	<b>\$ 192,497,108</b>	<b>\$ 60,426,107</b>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Balance Sheet*

*Governmental Funds*

*September 30, 2006*

ASSETS	General (1010)	Community Mental Health (2220)	Managed Care (2222)	Brookhaven Medical Care Facility (2900)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ -	\$ 348,076	\$ 453,259	\$ -	\$ 357,644	\$ 1,741,993	\$ 2,900,972
Investments	2,263,617	1,972,431	2,568,470	-	2,026,648	26,309,054	35,140,220
Receivables							
Accounts	414,987	107,935	87,844	1,580,671	325,937	614,829	3,132,203
Intergovernmental	517,024	-	-	-	-	5,686,305	6,203,329
Accrued interest	1,312,178	64,583	4,520	-	6,249	189,728	1,577,258
Special assessments	-	-	-	-	27,985,000	7,662	27,992,662
Current taxes	3,029,221	-	-	-	-	-	3,029,221
Other	5,319	-	-	113,894	-	-	119,213
Prepaid Items	-	322,690	-	-	-	17,490	340,180
Due from other funds	5,183,713	-	-	-	-	2,500,000	7,683,713
Long-term advances to other funds	588,618	-	-	-	-	-	588,618
Long-term note receivable	-	-	-	-	-	1,300,000	1,300,000
	<u>\$ 13,314,677</u>	<u>\$ 2,815,715</u>	<u>\$ 3,114,093</u>	<u>\$ 1,694,565</u>	<u>\$ 30,701,478</u>	<u>\$ 38,367,061</u>	<u>\$ 90,007,589</u>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

County of Muskegon  
Balance Sheet  
Governmental Funds  
September 30, 2006

	General (1010)	Community Mental Health (2220)	Managed Care (2222)	Brookhaven Medical Care Facility (2900)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>							
Payables							
Accounts	\$ 487,647	\$ 171,672	\$ 2,949,994	\$ 303,250	\$ -	\$ 6,308,866	\$ 10,221,429
Intergovernmental	-	514,099	-	106,646	2,344,579	210,114	3,175,438
Accrued liabilities	2,226,649	585,815	164,099	408,148	-	836,055	4,220,766
Due to other funds	2,500,000	-	-	876,521	-	2,612,289	5,988,810
Long-term advances from other funds	-	-	-	-	-	21,500	21,500
Deferre d revenue	-	50,000	-	-	28,310,000	533,223	28,893,223
<b>Total liabilities</b>	<b>\$ 5,214,296</b>	<b>\$ 1,321,586</b>	<b>\$ 3,114,093</b>	<b>\$ 1,694,565</b>	<b>\$ 30,654,579</b>	<b>\$ 10,522,047</b>	<b>\$ 52,521,166</b>
Fund Balances							
Reserved for long-term advances to other funds	\$ 588,618	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 588,618
Reserved for long-term note receivable	-	-	-	-	-	1,300,000	1,300,000
Reserved for prepaids/inventory	-	322,690	-	-	-	17,490	340,180
Unreserved							
Designated for Capital Projects	-	-	-	-	-	14,025,982	14,025,982
Designated for Special Revenue	42,065	1,171,439	-	-	-	1,658,169	2,871,673
Designated for Debt Service	-	-	-	-	46,899	1,538,454	1,585,353
Designated for Permanent Funds - expendable	-	-	-	-	-	17,576	17,576
Designated for Permanent Funds - nonexpendable	-	-	-	-	-	35,001	35,001
Undesignated	7,469,698	-	-	-	-	-	7,469,698
Undesignated - Special Reve nue	-	-	-	-	-	9,252,342	9,252,342
<b>Total Fund Balances</b>	<b>8,100,381</b>	<b>1,494,129</b>	<b>-</b>	<b>-</b>	<b>46,899</b>	<b>27,845,014</b>	<b>37,486,423</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,314,677</b>	<b>\$ 2,815,715</b>	<b>\$ 3,114,093</b>	<b>\$ 1,694,565</b>	<b>\$ 30,701,478</b>	<b>\$ 38,367,061</b>	

Amounts reported for Governmental Activities in the Statement of Net Assets are different because:

Capital assets used for governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.	55,222,501
Internal Service Funds are used by management to charge the costs of certain activities , such as insurance and equipment leasing to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Government-wide Statement of Net Assets	12,581,928
Deferre d revenue in Debt Service is recognized on the full accrual basis in the Government Wide Financial Statements	28,310,000
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet	(53,632,137)
Net Assets of Governmental Activities	<u>\$ 79,968,715</u>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

**County of Muskegon**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended September 30, 2006**

	General (1010)	Community Mental Health (2220)	Managed Care (2222)	Brookhaven Medical Care Facility (2900)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 25,362,883	\$ -	\$ -	\$ -	\$ -	\$ 9,712,694	\$ 35,075,577
Licenses and permits	16,021	-	-	-	-	852,033	868,054
Operating grants and contributions	2,287,656	4,074,861	4,117,890	-	-	23,037,391	33,517,798
Charges for services	9,079,358	13,615,165	44,921,601	11,366,390	-	2,811,872	81,794,386
Fines and forfeitures	751,117	-	-	-	-	6,500	757,617
Investment income	989,883	165,193	19,634	315	1,605	499,018	1,675,648
Rentals	110,656	-	-	16,771	-	615,253	742,680
Special assessments	-	-	-	-	250,000	-	250,000
Contributions from private sources	-	1,034,526	605,425	2,249	-	67,500	1,709,700
Other	920,182	405,644	601,422	1,812,116	75	510,284	4,249,723
<b>Total revenues</b>	<b>39,517,756</b>	<b>19,295,389</b>	<b>50,265,972</b>	<b>13,197,841</b>	<b>251,680</b>	<b>38,112,545</b>	<b>160,641,183</b>
<b>Expenditures</b>							
<b>Current operations</b>							
Legislative	437,877	-	-	-	-	-	437,877
Judicial	6,943,242	-	-	-	-	1,192,980	8,136,222
General County government	12,441,717	-	-	-	-	5,344,181	17,785,898
Public safety	10,246,367	-	-	-	-	2,769,525	13,015,892
Health	-	18,767,613	50,923,557	13,526,223	-	26,083,364	109,300,757
Welfare	-	-	-	-	-	9,070,391	9,070,391
Culture	144,907	-	-	-	-	152,016	296,923
Recreation	-	-	-	-	-	585,204	585,204
Other	934,459	-	-	-	343,401	-	1,277,860
Capital outlay	23,606	4,097	47,580	-	-	1,056,826	1,132,109
<b>Debt service</b>							
Principal payments	-	-	-	-	325,000	6,135,000	6,460,000
Interest	-	-	-	-	1,913	1,239,816	1,241,729
Other	-	-	-	-	-	162,138	162,138
<b>Total expenditures</b>	<b>31,172,175</b>	<b>18,771,710</b>	<b>50,971,137</b>	<b>13,526,223</b>	<b>670,314</b>	<b>53,791,441</b>	<b>168,903,000</b>
Revenues over (under) expenditures	8,345,581	523,679	(705,165)	(328,382)	(418,634)	(15,678,896)	(8,261,817)
<b>Other financing sources (uses)</b>							
Sales of Capital Assets	-	-	1,767	-	-	432,260	434,027
Transfers in	3,792,887	-	703,398	52,063	-	10,958,030	15,506,378
Bond Issuance	-	-	-	-	-	20,580,000	20,580,000
Transfers (out)	(11,887,444)	(97,793)	-	-	-	(3,525,783)	(15,511,020)
	(8,094,557)	(97,793)	705,165	52,063	-	28,444,507	21,009,385
<b>Net change in fund balance</b>	<b>251,024</b>	<b>425,886</b>	<b>-</b>	<b>(276,319)</b>	<b>(418,634)</b>	<b>12,765,611</b>	<b>12,747,568</b>
Fund balance at beginning of year	7,849,357	1,068,243	-	276,319	465,533	15,079,403	24,738,855
Fund balance at end of year	<u>\$ 8,100,381</u>	<u>\$ 1,494,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,899</u>	<u>\$ 27,845,014</u>	<u>\$ 37,486,423</u>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities**

**For the Year Ended September 30, 2006**

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

Net Change in fund balances - total governmental funds	\$ 12,747,568
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation for the current period less outlays capitalized in the current period	(1,036,437)
The repayment of long term debt consumes current financial resources but does not effect net assets	6,460,000
Gain on the difference between the cost of a governmental asset and its accumulated depreciation is not recognized in governmental funds as it does not deduct from current financial resources	(51,187)
Recognition of special assessment revenue on debt with governmental commitment occurs annually in the governmental funds but is on full accrual for all amounts due in the Government Wide Statements	(250,000)
Recognition of special assessment revenue with the issuance of special assesment debt	20,580,000
The issuance of long term debt provides current financial resources but does not affect net assets	(20,580,000)
The accrual of sick and annual wages does not consume current financial resources but does reduce net assets therefore they are not reported in governmental funds	(100,791)
Due from other funds in the General Fund for cash deficits	5,183,713
Due to General Fund in Governmental funds	(3,488,810)
Due to General Fund in Proprietary funds	(1,694,903)
Due from General Fund in Governmental funds	(2,500,000)
Due to other funds in the General Fund	2,500,000
Long term advances to Governmental funds	21,500
Long term advances to Internal Service funds	567,118
Long term advances from General Fund	(588,618)
Long term advances to Internal Service funds	36,741
Long term advances from Proprietary funds	(36,741)
Long term advances to Proprietary funds	1,059,645
Long term advances from Internal Service funds	(1,059,645)
Internal service funds are used by management to charge the costs of insurance, printing, central facilities, equipment, risk management and tax collection to individual funds	
The net revenue of certain activities of internal service funds is reported with governmental activities	<u>947,172</u>
Change in net assets of governmental activities	<u>\$ 18,716,325</u>

**The accompanying notes are an integral part of this statement.**

County of Muskegon

Statement of Net Assets  
 Proprietary Funds  
 September 30, 2006

ASSETS	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 1,516,998	\$ -	\$ 730,272	\$ 2,511,864	\$ 4,759,134	\$ 2,211,518
Investments	8,596,319	-	4,138,205	14,233,897	26,968,421	12,531,937
Receivables						
Accounts	332,355	157,484	2,467,897	684,980	3,642,716	22,682
Intergovernmental	-	41,609	2,740	702,140	746,489	-
Accrued interest	121,131	-	172,739	183,768	477,638	160,502
Current taxes	-	-	-	4,912,243	4,912,243	-
Current portion of interest and penalties on delinquent taxes	-	-	-	640,361	640,361	-
Prepaid expenses	-	-	-	70,168	70,168	-
Inventories	9,759	-	29,965	-	39,724	-
Restricted Assets	1,117,790	-	-	124,511	1,242,301	-
Total current assets	<u>11,694,352</u>	<u>199,093</u>	<u>7,541,818</u>	<u>24,063,932</u>	<u>43,499,195</u>	<u>14,926,639</u>
<b>NONCURRENT ASSETS</b>						
Long-term advances to other funds	36,741	-	-	1,342,728	1,379,469	1,059,645
Long-term note receivable	-	-	-	-	-	4,440,406
Delinquent taxes	-	-	-	4,169,381	4,169,381	-
Interest and penalties on delinquent taxes	-	-	-	518,413	518,413	-
Property and equipment at cost, net of accumulated depreciation	6,518,890	22,408,221	89,277,916	12,091,155	130,296,182	4,469,739
Total noncurrent assets	<u>6,555,631</u>	<u>22,408,221</u>	<u>89,277,916</u>	<u>18,121,677</u>	<u>136,363,445</u>	<u>9,969,790</u>
Total assets	<u>\$ 18,249,983</u>	<u>\$ 22,607,314</u>	<u>\$ 96,819,734</u>	<u>\$ 42,185,609</u>	<u>\$ 179,862,640</u>	<u>\$ 24,896,429</u>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

County of Muskegon

Statement of Net Assets  
 Proprietary Funds  
 September 30, 2006

LIABILITIES AND NET ASSETS	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 296,073	\$ 214,036	\$ 4,288,508	\$ 1,985,181	\$ 6,783,798	\$ 563,531
Accrued liabilities	127,047	117,842	931,663	584,285	1,760,837	5,583,925
Accrued closure costs	8,713,647	-	-	-	8,713,647	-
Accrued interest	-	23,324	-	-	23,324	-
Current portion of tax anticipation notes payable	-	-	-	9,000,000	9,000,000	-
Long-term debt payable in less than one year	-	200,000	2,420,000	200,000	2,820,000	1,576,435
Payable from restricted funds						
Accrued interest	-	-	386,348	-	386,348	-
<b>Total current liabilities</b>	<b>\$ 9,136,767</b>	<b>\$ 555,202</b>	<b>\$ 8,026,519</b>	<b>\$ 11,769,466</b>	<b>\$ 29,487,954</b>	<b>\$ 7,723,891</b>
<b>NONCURRENT LIABILITIES</b>						
Due to other funds	\$ -	\$ 1,454,592	\$ -	\$ 240,311	\$ 1,694,903	\$ -
Notes payable	-	-	-	1,500,000	1,500,000	-
Land contract payable	-	-	-	-	-	64,478
Long-term advances from other funds	-	2,402,373	-	-	2,402,373	603,859
Long-term debt due in more than one year	-	1,465,000	22,509,017	8,275,000	32,249,017	3,922,273
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>5,321,965</b>	<b>22,509,017</b>	<b>10,015,311</b>	<b>37,846,293</b>	<b>4,590,610</b>
<b>Total liabilities</b>	<b>9,136,767</b>	<b>5,877,167</b>	<b>30,535,536</b>	<b>21,784,777</b>	<b>67,334,247</b>	<b>12,314,501</b>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of related debt	6,518,890	16,730,147	64,348,899	3,616,155	91,214,091	3,413,176
Restricted for cell closure	2,594,326	-	-	-	2,594,326	-
Unrestricted	-	-	1,935,299	16,784,677	18,719,976	9,168,752
<b>Total Net Assets</b>	<b>\$ 9,113,216</b>	<b>\$ 16,730,147</b>	<b>\$ 66,284,198</b>	<b>\$ 20,400,832</b>	<b>\$ 112,528,393</b>	<b>\$ 12,581,928</b>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

*County of Muskegon*

*Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds*

*For the Year ended September 30, 2006*

	Solid Waste (5710)	Airpo rt (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>Operating revenues</b>						
Charges for services	\$ 2,173,661	\$ 1,164,515	\$ 11,220,995	\$ 2,180,875	\$ 16,740,046	\$ -
Farm sales	-	-	1,419,298	-	1,419,298	-
Interest and penalties on delin quent taxes	-	-	-	2,098,904	2,098,904	-
Premiums	-	-	-	-	-	15,185,746
Rents	-	-	-	-	-	1,884,751
Other	-	160,109	137,877	46,043	344,029	2,613,395
	<u>2,173,661</u>	<u>1,324,624</u>	<u>12,778,170</u>	<u>4,325,822</u>	<u>20,602,277</u>	<u>19,683,892</u>
<b>Operating expenses</b>						
Salaries and fringe benefits	676,750	795,624	3,740,638	2,111,396	7,324,408	1,802,653
Supplies and other operating expenses	2,241,529	982,648	6,219,549	2,732,712	12,176,438	1,767,321
Insurance benefits and claims	-	-	-	-	-	845,595
Insurance premiums	-	-	-	-	-	13,543,486
Interest expense	-	-	-	455,089	455,089	181,143
Depreciation and amortization	608,271	570,184	4,070,543	608,073	5,857,071	1,097,274
	<u>3,526,550</u>	<u>2,348,456</u>	<u>14,030,730</u>	<u>5,907,270</u>	<u>25,813,006</u>	<u>19,237,472</u>
Operating income (loss)	<u>(1,352,889)</u>	<u>(1,023,832)</u>	<u>(1,252,560)</u>	<u>(1,581,448)</u>	<u>(5,210,729)</u>	<u>446,420</u>
<b>Non O perating re venues ( expenses)</b>						
Operating subsidies	-	30,919	14,305	2,937,062	2,982,286	-
Interest income	319,852	265	453,408	486,233	1,259,758	482,723
Interest expense	-	(125,435)	(997,213)	(188,972)	(1,311,620)	-
Other	-	302	4,739	-	5,041	18,029
	<u>319,852</u>	<u>(93,949)</u>	<u>(524,761)</u>	<u>3,234,323</u>	<u>2,935,465</u>	<u>500,752</u>
Income (loss) before operating transfers and capital contributions	<u>(1,033,037)</u>	<u>(1,117,781)</u>	<u>(1,777,321)</u>	<u>1,652,875</u>	<u>(2,275,264)</u>	<u>947,172</u>
<b>Capital contributions</b>	-	140,662	2,130,000	51,910	2,322,572	-
Transfers in	56,793	1,380,143	-	7,110,737	8,547,673	-
Transfers (o ut)	-	-	-	(8,543,031)	(8,543,031)	-
	<u>56,793</u>	<u>1,520,805</u>	<u>2,130,000</u>	<u>(1,380,384)</u>	<u>2,327,214</u>	<u>-</u>
Change in Net Assets	<u>(976,244)</u>	<u>403,024</u>	<u>352,679</u>	<u>272,491</u>	<u>51,950</u>	<u>947,172</u>
Net Assets at beginning of year	<u>10,089,460</u>	<u>16,327,123</u>	<u>65,931,519</u>	<u>20,128,341</u>	<u>112,476,443</u>	<u>11,634,756</u>
Net Assets at end of year	<u>\$ 9,113,216</u>	<u>\$ 16,730,147</u>	<u>\$ 66,284,198</u>	<u>\$ 20,400,832</u>	<u>\$ 112,528,393</u>	<u>\$ 12,581,928</u>

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Cash Flows

Proprietary Funds

For the Year ended September 30, 2006

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers	\$ 2,150,301	\$ 2,689,477	\$ 12,408,670	\$ 3,774,978	\$ 21,023,426	\$ 131,459
Cash Received from other funds	-	-	-	-	-	19,539,265
Cash Payments to Suppliers of Goods and Services	(1,623,132)	(535,995)	(3,918,547)	(1,563,852)	(7,641,526)	(16,745,460)
Interest Paid	-	-	-	(324,500)	(324,500)	-
Cash Payments to Employees for Services	(653,483)	(807,226)	(3,662,437)	(2,036,143)	(7,159,289)	(1,793,111)
Note Proceeds	-	-	-	9,000,000	9,000,000	-
Tax collections	-	-	-	5,499,498	5,499,498	-
Delinquent tax payments to municipalities	-	-	-	(14,499,498)	(14,499,498)	-
Other receipts	-	160,109	137,877	46,043	344,029	-
Net cash provided by (used for) Operating Activities	(126,314)	1,506,365	4,965,563	(103,474)	6,242,140	1,132,153
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances from (to) other funds	34,661	1,266,436	-	(1,143,788)	157,309	(34,661)
Tax Collections	-	-	-	7,996,404	7,996,404	-
Operating Subsidies from Grants	-	30,909	14,305	3,381,999	3,427,213	-
Transfers (out)	-	-	-	(8,543,031)	(8,543,031)	-
Transfers in	56,793	1,380,143	-	7,110,737	8,547,673	-
Note payments	-	-	-	(9,000,000)	(9,000,000)	-
Net cash provided by (used for) noncapital financing activities	91,454	2,677,488	14,305	(197,679)	2,585,568	(34,661)
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Bond and Note Issuance	-	-	4,664,017	7,900,000	12,564,017	2,200,000
Principal payments on long term debt	-	(190,000)	(2,300,000)	(205,000)	(2,695,000)	(1,256,636)
Principal received (paid) on long term advances	-	-	-	-	-	(2,196,084)
Interest expense and agent fees	-	(128,000)	(1,116,358)	(139,234)	(1,383,592)	-
Purchase of capital assets	(501,897)	(1,681,924)	(791,176)	(51,910)	(3,026,907)	(679,523)
Construction in progress	-	(2,324,915)	(12,982,109)	(4,576,049)	(19,883,073)	(320,449)
Operating Subsidies	-	-	-	314,660	314,660	-
Sale of capital assets	-	-	4,739	-	4,739	18,029
Capital contributions and grants	-	140,662	2,130,000	51,910	2,322,572	-
Net cash used for capital and related financing activities	(501,897)	(4,184,177)	(10,390,887)	3,294,377	(11,782,584)	(2,234,663)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Payments received on note receivable	-	-	-	-	-	1,044,979
Proceeds from sales and maturities of investments	3,829,592	-	3,963,337	6,020,132	13,813,061	5,266,772
Purchase of investments	(6,875,000)	-	(3,125,000)	(13,318,665)	(23,312,665)	(10,312,500)
Interest received from investment pool	290,210	324	409,946	425,550	1,126,030	450,212
Net cash provided by investing activities	(\$ 2,755,198)	\$ 324	\$ 1,248,283	(\$ 6,872,983)	(\$ 8,379,574)	(\$ 3,550,537)

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Cash Flows - Continued  
 Proprietary Funds  
 For the Year ended September 30, 2006

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(\$ 3,291,955)	\$ -	(\$ 4,162,736)	(\$ 3,879,759)	(\$ 11,334,450)	(\$ 4,687,708)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,808,953	-	4,893,008	6,391,623	16,093,584	6,899,226
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,516,998</u>	<u>\$ -</u>	<u>\$ 730,272</u>	<u>\$ 2,511,864</u>	<u>\$ 4,759,134</u>	<u>\$ 2,211,518</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	<u>(\$ 1,352,889)</u>	<u>(\$ 1,023,832)</u>	<u>(\$ 1,252,560)</u>	<u>(\$ 1,581,448)</u>	<u>(\$ 5,210,729)</u>	<u>\$ 446,420</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	608,271	570,184	4,070,543	608,073	5,857,071	1,097,274
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	(23,360)	26,927	(233,210)	(504,801)	(734,444)	(13,168)
(Increase) decrease in intergovernmental receivable	-	1,498,035	1,587	-	1,499,622	-
(Increase) decrease in inventory	(9,243)	-	-	516	(8,727)	-
Increase (decrease) in accounts payable	112,045	141,083	2,301,002	1,751,006	4,305,136	26,084
(Increase) decrease in prepaid expenses	-	-	-	19,584	19,584	-
(Increase) decrease in restricted assets	(127,464)	-	-	(4,412)	(131,876)	-
Increase in closure costs	643,059	-	-	-	643,059	-
Increase (decrease) in due to other funds	-	305,570	-	(597,834)	(292,264)	-
Increase (decrease) in accrued liabilities	23,267	(11,602)	78,201	205,842	295,708	(424,457)
Total adjustments	<u>1,226,575</u>	<u>2,530,197</u>	<u>6,218,123</u>	<u>1,477,974</u>	<u>11,452,869</u>	<u>685,733</u>
Net cash provided by operations	<u>(\$ 126,314)</u>	<u>\$ 1,506,365</u>	<u>\$ 4,965,563</u>	<u>(\$ 103,474)</u>	<u>\$ 6,242,140</u>	<u>\$ 1,132,153</u>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Fiduciary Net Assets  
Fiduciary Funds  
September 30, 2006*

	<u>Agency Funds</u>	<u>Trust Fund Retirees' Insurance (7330)</u>
<b>ASSETS</b>		
Cash and cash investments	\$ 20,459,100	\$ 2,140,978
U.S. Government Securities	-	12,132,210
Accounts receivable	485,191	2,206
Accrued interest receivable	42,585	181,009
	<u>\$ 20,986,876</u>	<u>\$ 14,456,403</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 47,593	\$ -
Intergovernmental payable	3,902,143	-
Undistributed current and delinquent taxes	11,001,077	-
Trust deposits	2,316,125	-
Accrued liabilities	88,408	-
Unallocated receipts	3,607,884	-
Fines and Fees due to local municipalities and libraries	23,646	-
	<u>\$ 20,986,876</u>	<u>-</u>
Net Assets		
Held in trust for pension benefits		<u>\$ 14,456,403</u>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year ended September 30, 2006*

	<b>Retirees' Insurance (7330)</b>
<b>Additions</b>	
<b>Contributions</b>	
Employer	\$ 3,019,596
Plan members	309,253
Investment earnings	463,379
<b>Total Additions</b>	<u>3,792,228</u>
<b>Deductions</b>	
Benefits	3,178,602
Expenses	-
<b>Total Deductions</b>	<u>3,178,602</u>
 <b>Change in Net Assets</b>	 613,626
 Net Assets - Beginning	 <u>13,842,777</u>
Net Assets - Ending	<u><u>\$ 14,456,403</u></u>

The accompanying notes are an integral part of this statement.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS

The County of Muskegon, Michigan, was incorporated on July 18, 1859, and covers an area of approximately 527.34 square miles with the county seat located in the City of Muskegon. The county operates under an elected Board of Commissioners (11 members) and provides services to its 170,000 residents in many areas, including law enforcement, administration of justice, transportation, waste disposal, road maintenance, community enrichment and development and human services.

a) Reporting Entity

The accompanying financial statements present the County and its discretely presented component unit, entity for which the County is considered to be fiscally accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate for the County. The Muskegon County Building Authority is a blended component unit and its sole function is to construct and lease back buildings to the County. The authority has no financial activity as all costs are borne and reported by the County.

**Discretely presented component unit.** The Muskegon County Road Commission (MCRC) is responsible for maintaining a primary and local road system within county boundaries. The members of the governing board are appointed by the County Board of Commissioners and the County has significant financial responsibility for its operations. The County board also approves all debt issuances.

Complete financial statements for the individual component unit can be obtained from the entity's administrative office.

Muskegon County Road Commission  
7700 E Apple Ave  
Muskegon MI 49442

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

b) Fund Accounting

The financial activities of the county are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

c) Government-wide and fund financial statements

The government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets on all the non-fiduciary activities of the primary government and its component unit. Most of the effects of interfund activity have been removed from these statements. **Governmental activities**, which normally are supported by taxes and intergovernmental revenues, are reported separately from **business-type activities**, which rely primarily on users fees and charges for service. Likewise, the **primary government** is reported separately from certain legally separate **component units** for which the primary government is financially accountable.

The statement of activities demonstrate the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identified with a specific function or segment. Program revenues include 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a specific function or segment and 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) other revenues that are by definition related to the cost of providing a specific function or segment. Taxes, fines and other items not specific to particular functions or segments are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements use the “economic resources” measurement focus and full accrual basis of accounting which also include the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expense are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. A ninety day availability period is used for revenue recognition for all governmental fund revenues, except for property taxes, which are sixty days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claim and judgements, are recorded only when payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The **General Fund** (1010) is the government’s primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

**Community Mental Health** (2220) accounts for funds earmarked to provide mental health services within county boundaries. Monies are provided by federal, state, and county appropriations, grants, contributions and charges for services. This fund has several separate programs for the mentally impaired and developmentally disabled individuals. Both out-patient and in-patient services for adults and children are provided.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation - continued

**Managed Care** (2222) accounts for monies received from all sources and distributes these funds to contracted providers and our own internal providers of services for mental health services.

**Brookhaven Medical Care Facility** (2900) accounts for revenues received from insurance providers, governmental agencies and patients (or their representatives) for the operation of a medical care facility for the care of the elderly and infirm.

**Water and Sewer Debt** (3650) accounts for revenues received from local municipalities for the payment of the limited obligation long-term debt (principal, interest and fees) of the County. This debt is a special assessment debt with governmental commitment associated with local municipalities, water and sewer installation and infrastructure improvements.

The County reports the following major proprietary funds:

**Solid Waste** (5710) accounts for revenues received from, and expenses made for, the operations of a solid waste system. Monies for the operation of this fund are received from customers.

**Airport** (5810) provides direct and related services for both air carrier and general aviation aircraft. Airport activities are administratively divided into four areas: airfield, terminal buildings, hangars and other.

**Wastewater** (5920) provides a innovative, comprehensive plan for utilizing wastewater for land treatment by spray irrigation. The land treatment system nearly eliminates industrial and municipal pollutants and utilizes the wastewater as water and fertilizer to grow crops. Revenues are derived primarily from municipal users and private corporations. Additional revenue is generated from sales of crops grown at the facility.

Additionally, the County reports the following fund types:

**Internal service funds** account for printing, building maintenance, building and equipment purchases, and insurance and risk management on a cost reimbursement basis.

**Trust funds** account for the perpetual care of retirees' medical and dental costs. These funds are legally held in trust for use only by the specified activities as described. The accounting for trust funds is like that used for proprietary funds (full accrual).

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation - continued

**Agency funds** account for monies that are custodial in nature (assets equal liabilities) and do not involve the measurement of results in operations. Agency funds are accounted for on the full accrual basis of accounting. Amounts held in the agency funds include ordinance fines and costs, payments in lieu of taxes, current real and personal property taxes, payroll withholdings and public safety funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are revenues in excess of expenses for tax collection and internal rentals of buildings and equipment in excess of depreciation and cost of money. Elimination of the revenues would distort the activity of the functions and would not reflect the proper future uses of the excesses collected for their specific governmental purposes.

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 Wastewater enterprise fund, of the Solid Waste enterprise fund, and the Airport enterprise fund are charges to customers for sales and services. The County's internal service funds recognize as operating revenue internal transfers intended to recover the cost of providing specific benefits and equipment to employees and departments within County operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The County reports deferred revenue on its Governmental Funds balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

e) Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

f) Inventories

Inventories, which consist of replacement parts, office supplies, drugs and medical supplies, are stated at cost using the first in, first out (FIFO) method in governmental funds, and at the lower of average cost or market in proprietary funds. Inventories are accounted for by the consumption method.

g) Capital Assets

Property and equipment are stated at cost. Expenditures which materially extend the useful life of existing properties are capitalized. All costs relating to the construction of facilities are capitalized, including salaries, employee benefits, and bond interest costs during the construction period. Capital assets are defined as assets with an estimated useful life of more than one year and with a unit cost of \$1,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued and recorded at estimated fair market value at the date of donation. Capital assets are reported in the respective governmental or business-type activities columns in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

g) Capital Assets - continued

All capital assets, including those purchased/constructed prior to the implementation of GASB 34 have been included for the primary government and component unit. The County has no infrastructure assets in its governmental activities. Property, plant, and equipment of the County, as well as its component units, is depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	10 - 100
Lagoon	98 - 100
Buildings and improvements	10 - 50
Machinery and equipment	3 - 25
Wastewater collection and distribution system	10 - 50
Infrastructure	5 - 50
Capitalized interest and engineering costs	47 - 50

h) Compensated absences

County employees are granted vacation and sick leave in varying amounts based on length of service. Upon termination, employees are paid (1) accumulated vacation at full rates with certain limitations for non-staff personnel, and (2) accumulated sick leave at death or retirement at three-quarters the employee's pay rate and at one-half the employee's pay rate for all other reasons. Vacation and sick pay is fully accrued in the government-wide and proprietary financial statements. Vacation and Sick long-term portion of \$6,742,137 has been recorded as a portion of the long-term debt in the government-wide financial statements. Vacation and Sick paid during the year has been made from the funds where the employees last worked. County Road Commission personnel are paid fully for accumulated vacation and nothing for sick leave upon termination. Upon retirement or death, personnel receive full accumulated vacation and one half the sick leave accrued.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

i) Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

j) Self-Insurance Fund

The county maintains a self-insurance fund. The purpose of this fund is to pay premiums and claims as they are billed or occur. For the self-insured areas of workers' compensation, medical and unemployment, the county maintains an incurred but not reported (IBNR) reserve in all areas.

k) Restricted Net Assets

The county's restricted net assets in the special revenue funds are restricted by contract and grant agreements with other municipalities.

l) Fund Balance Reserves and Designations

Long-term advances from the general fund to the internal service funds were made to finance and sustain the activities of these funds. A portion of the general fund balance is reserved in an amount equal to such advances to reflect the amount of fund balance not currently available for expenditure.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

1) Fund Balance Reserves and Designations - continued

As discussed in Note 4, the county has a long-term note receivable from the City of Muskegon Downtown Development Authority, which is held jointly by the capital projects and internal service funds. Portions of the capital projects fund balance have been reserved in amounts equal to their respective portions of such long-term note receivable to reflect the amount of the fund balance not currently available for expenditure.

Fund balances designated for programs and debt service represent amounts appropriated by the Board of Commissioners for specific projects which carry over each year.

Specific fund balances designated and reserved are:

General and Special Revenue

General Fund (1010)	\$630,683
Emergency Services (1190)	21,082
Marine Safety (1200)	9,020
Township Patrols (1240)	212
Park Fund (2080)	134,670
Family Court (2150)	72,395
Family Court Re-entry Initiative (2152)	166,725
Health Department (2210)	145,159
Community Mental Health (2220)	1,494,129
Accommodations Tax (2300)	112,489
Deed Automation Fund (2560)	557,242
TNT Drug (2671)	61,517
Crime Victims' Rights (2800)	899

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

1) Fund Balance Reserves and Designations - continued

General and Special Revenue - continued

EDC Loan Revolving (2860)	320,000
Rambusch-Fuchs CDBG Grant (2873)	3,549
Downtown Redevelopment Project (2876)	249
Mental Health Buildings (2970)	24,213
Victim Restitution (2980)	46,238
	<u>\$3,800,471</u>

Debt Service

Designated for debt service	<u>\$1,585,353</u>
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Capital Projects

Capital improvements designated for Heritage Landing (4180)	\$42,114
Capital improvements designated for Fruitport/NS Sewer Project (4618)	1,281,396
Muskegon/Egelston/Dalton Sewer (4641)	8,362,541
Future capital projects (4930) (4960)	3,940,777
Long-term Note Receivable (4930) (4960)	1,300,000
Capital improvements designated for drain projects (8010)	399,154
	<u>\$15,325,982</u>

Permanent Funds

Designated for perpetual care (1500) (1550)	<u>\$52,577</u>
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County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

m) Budgets

The general, special revenue, and debt service funds are the governmental fund types under formal budgetary control. The county adopts its budget in accordance with Public Act 621, the Uniform Budgeting and Accounting Act, which mandates an annual budget process and an annual appropriation act to implement the budget.

1. A general, special revenue and debt service funds budget is presented to the Ways and Means Committee of the Board in September, at which time hearings on the budget are scheduled. A Public Hearing is held in August or September and a special meeting is held to give all elected officials the opportunity to discuss their budget with the Board.
2. The budget, and an appropriation ordinance implementing it, is then adopted in September.
3. Formal budget integration is employed as a management control device during the year for the general, special revenue and debt service funds. Formal budgetary integration is not employed for any other fund and only informational summaries are prepared as a management tool and are presented to the Board for consideration.
4. Budgets presented for the general, special revenue and debt service funds were prepared on the modified accrual basis of accounting. Encumbrances are not recorded at year end.
5. Expenditures may not legally exceed activity (department) totals in the general fund. All other special revenue fund expenditures and debt service funds cannot legally exceed their respective fund totals and must remain in accordance with their respective grant agreements with federal and state agencies.
6. Budgets for the current year are carefully reviewed in June or July for any revision of estimates. Proposed increases or reductions in appropriations are presented to the Ways and Means Committee and the Board in August and September for their action. The legislative body amends the general appropriation act as soon as it becomes apparent this action is necessary.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES AND OTHER MATTERS - Continued

m) Budgets - continued

7. The Governing Board has the authority to amend all budgets at the fund level through the appropriation ordinance. It further has the right to amend the General Fund at the activity level if it desires. Management has no authority to amend budgets at the fund level. Management can do transfers within funds at the departmental level without governing board approval but not between departments. Some budgets are approved at the zero activity level when there appears to be no consistent operating data to project future revenues or expenses.
8. The budgetary information presented has been amended during the year by an official action of the County Board of Commissioners. The amendments were not significant in total.
9. All budget appropriations lapse at the end of each funds' fiscal year.

n) Grants and Third Party Cost Reimbursement Settlements

The county receives grants from other governmental units to finance specific programs. The grant revenues are recorded based on qualifying program expenditures, as determined by the county, and are subject to audit by the responsible agencies. Adjustments required upon final settlements are recorded in the period of settlement. Third party cost reimbursements are recorded at prospective rates and provisions are made at the end of each year to adjust such revenues to the reimbursable cost expected to be received. Adjustments required upon final settlements are recorded in the period of settlement.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES AND OTHER MATTERS - Continued

o) Indirect Cost Rate

Administrative costs are recorded in the general fund as indirect costs in the county's accounting system and allocated to the various funds based upon a negotiated indirect cost plan. Indirect costs are defined by Office of Management and Budget (OMB) Circular A-87 as costs "(a) incurred for a common or joint purpose benefitting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved." The indirect cost rate used by the county is based on prior cost experience, documented by a cost allocation plan, (published January 2006), and is approved by a cognizant federal agency (health and human services) in accordance with the provision of OMB Circular A-87. Upon the completion of an independent audit at the end of each fiscal year, the indirect cost rate is scrutinized and a revised fixed rate for future use is negotiated with the cognizant agency only if necessary. During 2006, the county's indirect cost rate was 10.5735% of direct salaries and wages, excluding fringe benefits. Certain other accounting policies are disclosed in subsequent footnotes.

NOTE 2 - PROPERTY TAX

Property taxes are levied and attached as an enforceable lien on property as of July 1 and December 1. Taxes are payable by March 1 with local treasurers. After March 1, taxes are delinquent and are collected by the county with additional penalty and interest added. Delinquent tax rolls are used to finance delinquent tax notes of which the proceeds are used to pay off the various taxing authorities around July 1. Collections of delinquent taxes (including penalty and interest) are kept by the county to repay the notes, with any remainder being remitted to the general fund. Any delinquent taxes not collected after two years have elapsed trigger the property to be foreclosed and sold at public auction, with a minimum bid of amounts due for taxes, interest and fees. The foreclosure sales occurs on or about September 1st. Therefore, under the statutes, total delinquency collection is assured.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 3 - CASH, CASH EQUIVALENTS AND TEMPORARY INVESTMENTS

Cash equivalents are short-term, highly liquid investments that have both of the following characteristics:

- . Investments that are readily convertible to known amounts of cash
- . Investments that mature in such a short period of time that their values are effectively immune from changes in interest rates
- . Original maturity of three months or less

State statutes require that certificates of deposit, savings accounts, deposit accounts and depository receipts are made with banks doing and having a place of business in the State of Michigan that are also members of a federal or national insurance corporation.

Custodial Credit Risk Related to Deposits

Custodial credit risk related to deposits is the risk that, in the event of a bank failure, the County's deposits might not be recovered. It is the County's policy to reduce custodial credit risk related to deposits by using only pre-qualified financial institutions, broker/dealers, intermediaries and advisors. At September 30, 2006, \$38,498,213 of the County's bank balances of \$38,889,016 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized                      \$38,498,213

Investments

At September 30, 2006, the County had the following investments:

Treasury Bills	\$41,843,873
Certificates of Deposit	29,019,365
Commercial Paper	<u>5,472,243</u>
Total	<u>\$76,335,481</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 3 - CASH, CASH EQUIVALENTS AND TEMPORARY INVESTMENTS - continued

Interest rate risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. It is the County's policy to reduce interest rate risk 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 funds, or similar investment pools and limiting the average maturity in accordance with the County's cash requirements.

Custodial Credit Risk Related to Investments

Custodial credit risk related to investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. All of the County's investments are held in the name of the County.

Credit Risk

State statutes authorize the County to invest in obligations and certain repurchase agreements of the U.S. Treasury and related governmental agencies, commercial paper rated prime at the time of purchase and maturing not more than 270 days from the date of purchase, bankers acceptances and certificate of deposit issued or created by any state or national bank insured with the applicable federal agency, investment pools authorized by the Surplus funds Investment Pool Act and mutual funds composed entirely of the above investments. The following commercial paper was rated A1+ by Standard and Poors and P1 by Moody's and are not subject to credit risk:

Company Name	Amount purchased	Interest Rate	Due Date
City Group Funding Inc	1,999,591	5.130%	11/06/2006
GE Capital Corp.	973,500	4.900%	12/29/2006
GE Capital Corp.	999,752	5.450%	01/02/2007
HSBC Finance Corp.	1,499,400	5.375%	04/24/2007

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS -CONTINUED

September 30, 2006

NOTE 3 - CASH, CASH EQUIVALENTS AND TEMPORARY INVESTMENTS - continued

The County had no investment policy that would further limit its investment choices. The County's investment in money market funds was not rated at September 30, 2006.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The County will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

NOTE 4 - LONG-TERM NOTE RECEIVABLE

The county has a long-term note receivable from the City of Muskegon Downtown Development Authority (a Michigan nonprofit corporation) dated August 17, 1989 (issued in the face amount of \$1,000,000, interest free), which is held jointly by capital projects and internal service funds.

The note is included in the accompanying combined financial statements at its original face amount. The note is collateralized by a certain tax increment financing plan and by the assignment of the related leases, which are believed to provide adequate assurance for the realization of the notes.

NOTE 5 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet". The details of this \$53,632,137 difference are as follows:

Special Assessment bonds	\$28,310,000
General Obligation bonds	12,205,000
Building Authority bonds	6,375,000
Compensated absences	<u>6,742,137</u>
Net adjustment to reduce	
fund balance - total governmental funds to arrive at	
net assets - governmental activities	<u>\$53,632,137</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED

September 30, 2006

NOTE 5 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - continued

- b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that " Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this (\$1,036,437) difference are as follows:

Capital Outlay	\$2,216,862
Internal Service asset purchases	(999,972)
Internal Service depreciation	1,097,274
Depreciation Expense as presented for Governmental Activities	<u>(3,350,601)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>(\$1,036,437)</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED

September 30, 2006

NOTE 6 - CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2006 are summarized as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not depreciable:				
Land	\$3,934,038	\$ -	\$ -	\$3,934,038
Construction in progress	<u>336,766</u>	<u>320,449</u>	<u>-</u>	<u>657,215</u>
	<u>4,270,804</u>	<u>320,449</u>	<u>-</u>	<u>4,591,253</u>
Capital assets being depreciated:				
Land Improvements	4,477,457	-	-	4,477,457
Buildings and Improvements	68,621,711	165,180	-	68,786,891
Machinery and Equipment	<u>17,383,282</u>	<u>1,731,233</u>	<u>578,485</u>	<u>18,536,030</u>
Total assets being depreciated	<u>90,482,450</u>	<u>1,896,413</u>	<u>578,485</u>	<u>91,800,378</u>
Less accumulated depreciation for:				
Land Improvements	(1,170,124)	(175,043)	-	(1,345,167)
Buildings and Improvements	(19,400,019)	(1,636,555)	-	(21,036,574)
Machinery and Equipment	<u>(13,305,945)</u>	<u>(1,539,003)</u>	<u>(527,298)</u>	<u>(14,317,650)</u>
Total accumulated depreciation	<u>(33,876,088)</u>	<u>(3,350,601)</u>	<u>(527,298)</u>	<u>(36,699,391)</u>
Total capital assets being depreciated,	<u>56,606,362</u>	<u>(1,454,188)</u>	<u>51,187</u>	<u>55,100,987</u>
Governmental activities-capital assets,	<u>\$60,877,166</u>	<u>(\$1,133,739)</u>	<u>\$51,187</u>	<u>\$59,692,240</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 6 - CAPITAL ASSETS - Continued

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Business-type Activities</b>				
Capital assets, not depreciable:				
Land	\$15,830,272	\$2,665,279	\$ -	\$18,495,551
Construction in progress	<u>2,113,304</u>	<u>19,320,551</u>	<u>1,808,733</u>	<u>19,625,122</u>
Total capital assets not being depreciated	<u>17,943,576</u>	<u>21,985,830</u>	<u>1,808,733</u>	<u>38,120,673</u>
Capital assets being depreciated:				
Land Improvements	22,391,332	-	-	22,391,332
Buildings and Improvements	24,469,775	1,786,008	95,786	26,159,997
Machinery and Equipment	16,899,309	1,050,404	129,749	17,819,964
Lagoons	9,517,671	-	-	9,517,671
W/W collection and distribution	93,702,596	3,000	1,588	93,704,008
Capitalized interest and engineering	<u>7,381,808</u>	<u>-</u>	<u>-</u>	<u>7,381,808</u>
Total assets being depreciated	<u>174,362,491</u>	<u>2,839,412</u>	<u>227,123</u>	<u>176,974,780</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 6 - CAPITAL ASSETS - Continued

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Less accumulated depreciation for:				
Land Improvements	(12,124,217)	(562,634)	0	(12,686,851)
Buildings and Improvements	(9,325,534)	(717,468)	0	(10,043,002)
Machinery and Equipment	(10,631,264)	(1,133,896)	(125,944)	(11,639,216)
Lagoons	(3,060,177)	(95,307)	-	(3,155,484)
W/W collection and distribution	(39,992,973)	(3,079,149)	(1,701)	(43,070,421)
Capitalized interest and engineering	<u>(3,935,680)</u>	<u>(268,617)</u>	<u>-</u>	<u>(4,204,297)</u>
Total accumulated depreciation	<u>(79,069,845)</u>	<u>(5,857,071)</u>	<u>(127,645)</u>	<u>(84,799,271)</u>
Total business-type assets being depreciated, net	<u>95,292,646</u>	<u>(3,017,659)</u>	<u>99,478</u>	<u>92,175,509</u>
Business-type activities-capital assets, net	<u>\$113,236,222</u>	<u>\$18,968,171</u>	<u>\$1,908,211</u>	<u>\$130,296,182</u>

County of Muskegon  
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
 September 30, 2006

NOTE 6 - CAPITAL ASSETS - Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Judicial	\$37,081
General County Government	2,397,844
Public Safety	202,718
Health	381,583
Welfare	107,431
Culture	11,526
Recreation	<u>212,418</u>
Total Depreciation Expense - Governmental activities	<u>\$3,350,601</u>
Business-type Activities	
Solid Waste	\$608,271
Airport	570,184
Wastewater	4,070,543
Other Proprietary Funds	<u>608,073</u>
Total Depreciation Expense - business-type activities	<u>\$5,857,071</u>

In accordance with the reporting under GASB Statement 42, the County has no impairment of capital assets for the year ended September 30, 2006.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 7 - LONG-TERM DEBT

Change in Long-term debt of the county for the year ended September 30, 2006 was as follows:

	Balance October 1, <u>2005</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>2006</u>	<u>Due within one year</u>
<u>Governmental Activities</u>					
Bonds Payable:					
<b>Special Assessment with Governmental commitment</b>					
Fruitport Sewer Bond - payable in increasing annual installments ranging from \$100,000 in 2007 to \$250,000 in 2020 with interest from 4.7% to 6.5% (8715) (Issued \$2,680,000)	2,530,000		(100,000)	2,430,000	\$100,000
Series II - payable in increasing annual installments ranging from \$225,000 in 2007 to \$550,000 in 2020 with interest from 4.75% to 6.75% (8718) (Issued \$6,500,000)	5,525,000		(225,000)	5,300,000	225,000
Muskegon/Egelston/Dalton 2006 Bond - payable in increasing installments ranging from \$380,000 in 2010 to \$1,305,000 in 2037 with interest from 4.25% to 5%. (8841) (Issued \$20,580,000)		20,580,000		20,580,000	

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2006</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
<b>General Obligation Bonds:</b>					
Quality of Life Project Bond (Refunded)-payable in increasing annual installments ranging from \$850,000 in 2007 to \$1,505,000 in 2016 with interest from 4.1% to 4.85%. (3111) (Issued \$14,000,000)	12,980,000		(775,000)	12,205,000	850,000
<b>Building Authority Bonds:</b>					
Muskegon County Mental Health Center Bonds (refunded) - payable in 3 installments of \$175,000 in 2008 to 2010 with interest at 5.0% (3142) (Issued \$625,000)	525,000			525,000	
Muskegon County Health Center Bonds - payable at \$140,000 in 2007 with interest at 4.35% (3143) (Issued \$1,255,000)	285,000		(145,000)	140,000	140,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2006</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
<b>Building Authority Bonds (continued):</b>					
Muskegon County Hall of Justice Bonds-payable in increasing annual installments ranging from \$225,000 in 2007 to \$520,000 in 2022 with interest from 4.25% to 5.0% (3130) (Issued \$6,500,000)	5,925,000	_____	(215,000)	5,710,000	225,000
Total Bonds Payable	<u>27,770,000</u>	<u>20,580,000</u>	<u>(1,460,000)</u>	<u>46,890,000</u>	<u>1,540,000</u>
Land contract payable in monthly installments of \$3,033.20 including interest at 8% until August 2009 (6660) (Issued \$ 250,000)	122,040		(27,634)	94,406	29,928
Bond anticipation note payable on November 1, 2005 with interest at 2.5% (4640)	5,000,000		(5,000,000)	0	
Installment note Payable in 60 monthly principal installments of \$24,775 plus interest at 4.12% until June 2009 (6660)	1,231,460		(311,748)	919,712	320,604

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2006</u>	<u>Due within one year</u>
<u>Governmental Activities - continued</u>					
Installment note Payable in 60 monthly principal installments of \$44,100 plus interest at 3.34% until December 2008 (6660)	1,899,207		(562,488)	1,336,719	567,480
Installment note Payable in 5 annual installments of \$299,369 until November 2009 at 3.10% interest. (6660)	1,367,115		(256,399)	1,110,716	264,955
Installment note Payable in 60 monthly installments of \$32,789 plus interest at 5.32% until June 2011 (6660)		2,200,000	(98,367)	2,101,633	393,468
Sick leave and annual time payable as used or upon retirement or termination. (See Note 1(h) for limitations on payoff)(1010)	<u>6,641,346</u>	<u>4,292,506</u>	<u>(4,191,715)</u>	<u>6,742,137</u>	<u>4,200,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$44,031,168</u>	<u>\$27,072,506</u>	<u>(\$11,908,351)</u>	<u>\$59,195,323</u>	<u>\$7,316,435</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2006</u>	<u>Due within one year</u>
<u>Business-Type Activities</u>					
Bonds Payable					
<b>Revenue Bonds:</b>					
Muskegon County Water Supply System Bond - payable in increasing annual installments ranging from \$120,000 in 2009 to \$485,000 in 2038 with interest from 4.375% to 5.125%. (5910) (Issued \$7,900,000)		7,900,000		7,900,000	
Wastewater Bond - payable in increasing annual installments ranging from \$310,000 in 2007 to \$850,000 in 2026 with interest from 4.0% to 5.00% (5935) (Issued \$17,000,000)	16,235,000		(170,000)	16,065,000	\$310,000
Wastewater Bond - payable in increasing annual installments ranging from \$2,110,000 in 2007 to \$2,090,000 in 2008 with interest at 5.00% (5936) (Issued \$6,990,000)	6,330,000		(2,130,000)	4,200,000	2,110,000
Wastewater Bond - payable in increasing annual installments ranging from \$2,110,000 in 2008 to \$2,090,000 in 2027 with interest at 1.625% (5937) (Issued \$4,664,017)		4,664,017		4,664,017	

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2006</u>	<u>Due within one year</u>
<b>Building Authority Bonds:</b>					
Muskegon County Fairgrounds - (Refunded) payable in decreasing annual installments to \$200,000 in 2007 to \$185,000 in 2009 with interest from 6.15% to 6.25% (5083) (Issued \$1,985,000)	780,000		(205,000)	575,000	200,000
Muskegon County Airport Terminal - payable in increasing annual installments ranging from \$200,000 in 2007 to \$280,000 in 2013 with interest from 5.50% to 5.625% (5810) (Issued \$2,995,000)	<u>1,855,000</u>		<u>(190,000)</u>	<u>1,665,000</u>	<u>200,000</u>
Total Bonds Payable	25,200,000	12,564,017	(2,695,000)	35,069,017	2,820,000
<b>General Obligation Tax Notes</b>					
2003 - payable in full in 2006. (5163) (Issued \$9,000,000)	1,500,000		(1,500,000)	0	
2004 - payable in annual installments of \$1,500,000 in 2007 with interest at 4.0% (5164) (Issued \$9,000,000)	9,000,000		(7,500,000)	1,500,000	1,500,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2005</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>2006</u>	Due within <u>one year</u>
2005 - payable in annual installments of \$3,500,000 in 2007, \$4,000,000 in 2008, and \$1,500,000 in 2009 with interest at 5.5% (5165) (Issued \$9,000,000)	_____	<u>9,000,000</u>	_____	<u>9,000,000</u>	<u>7,500,000</u>
Total General Obligation Tax Notes	<u>10,500,000</u>	<u>9,000,000</u>	<u>(9,000,000)</u>	<u>10,500,000</u>	<u>9,000,000</u>
Total Business-Type Activities long-term liabilities	<u>\$35,700,000</u>	<u>\$21,564,017</u>	<u>(\$11,695,000)</u>	<u>\$45,569,017</u>	<u>\$11,820,000</u>
Total all long-term liabilities	<u>\$79,731,168</u>	<u>\$48,636,523</u>	<u>(\$23,603,351)</u>	<u>\$104,764,340</u>	<u>\$19,136,435</u>

The special assessment bonds were issued by the county pursuant to contracts entered into with the City of Norton Shores, Egelston, Muskegon, Dalton and Fruitport Townships for the financing of additional sewage collection and disposal and water supply systems for the contractees. Under the terms of the agreements, the contractees are to pay the county each year amounts sufficient to provide for debt service. The full faith and credit of the county and that of the respective participating municipalities are pledged for repayment of the bonds.

The Muskegon County Wastewater Management System No. 1 Bonds issued are a general obligation (revenue) bond issue repayable from the proceeds of contract payments by participating users in the system. The full faith and credit of the county and that of participating municipalities are pledged for repayment of the bonds. The General Obligation tax notes are issued by the county to pay the various local units of government their respective share of delinquent property taxes. The notes are collateralized by the assets of the respective Delinquent Tax Revolving Funds (\$19,204,503 at September 30, 2006) and the full faith and credit of the county.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 7 - LONG-TERM DEBT - Continued

The General Obligation Debt of the county is issued to pay for the construction of a new Community Mental Health Center repayable from building leases and patient revenues. In addition, ad valorem taxes can be levied if revenues are not sufficient to cover debt service requirements. In 1995, the voters approved a 16 million General Obligation Bond issued in 1996 for renovation of an arts and sports complex. Millage of .47 mills has been levied for the repayment of the bonds through the last bond payment in the year 2016. The full faith and credit of the county is pledged for repayment of the bonds. County Building Authority Bonds were used to remodel the former Family Independence Agency building, to build a new County fairground, to build a new airport terminal, and to remodel the County Hall of Justice. Lease payments are pledged for the payment of annual debt service along with the full faith and credit of the county.

The total requirement for payment of principal and interest amount to \$104,764,340 and \$46,749,821, respectively, at September 30, 2006 as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007-2011	\$22,073,286	\$11,100,220	\$21,195,537	\$7,038,687
2012-2016	14,392,037	7,234,730	6,736,710	4,651,881
2017-2021	8,060,000	4,401,000	6,514,990	3,301,816
2022-2026	4,170,000	3,005,350	6,911,267	1,873,559
2027-2031	4,605,000	2,088,938	2,005,513	806,615
2032-2036	<u>5,895,000</u>	<u>901,894</u>	<u>2,205,000</u>	<u>345,131</u>
Total	<u>\$59,195,323</u>	<u>\$28,732,132</u>	<u>\$45,569,017</u>	<u>\$18,017,689</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 7 - LONG-TERM DEBT - Continued

Combined schedule of annual principal requirements for bonded debt outstanding at September 30, 2006

<u>Year</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Principal due every five years</u>
	<u>Special Assessments</u>	<u>General Obligation</u>	<u>Building Authority</u>	<u>Revenue Bonds</u>	<u>Building Authority</u>	<u>Delinquent Tax Notes</u>	
2007	325,000	850,000	365,000	2,540,000	400,000	9,000,000	
2008	375,000	925,000	415,000	2,873,554	400,000	1,500,000	
2009	755,000	1,005,000	430,000	1,187,552	410,000		
2010	820,000	1,095,000	445,000	1,195,217	235,000		
2011	860,000	1,185,000	285,000	1,204,214	250,000		31,330,537
2012	930,000	1,285,000	300,000	1,216,880	265,000		
2013	1,005,000	1,395,000	320,000	1,225,877	280,000		
2014	1,040,000	1,460,000	335,000	1,239,875			
2015	1,085,000	1,500,000	355,000	1,247,540			

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 7 - LONG TERM DEBT - Continued

<u>Year</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Principal due every five years</u>
	<u>Special Assessment</u>	<u>General Obligation</u>	<u>Building Authority</u>	<u>Revenue Bonds</u>	<u>Building Authority</u>	<u>Delinquent Tax Notes</u>	
2016	1,135,000	1,505,000	375,000	1,261,538			20,761,710
2017	1,180,000		400,000	1,275,536			
2018	1,255,000		420,000	1,289,533			
2019	1,355,000		445,000	1,303,531			
2020	1,405,000		470,000	1,316,196			
2021	635,000		495,000	1,330,194			14,574,990
2022	665,000		520,000	1,349,192			
2023	695,000			1,364,522			
2024	730,000			1,383,520			
2025	760,000			1,397,518			
2026	800,000			1,416,515			11,081,267
2027	835,000			585,513			
2028	875,000			330,000			
2029	920,000			345,000			

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 7 - LONG TERM DEBT - Continued

Year	Governmental Activities			Business-type Activities			Principal due every five years
	Special Assessment	General Obligation	Building Authority	Revenue Bonds	Building Authority	Delinquent Tax Notes	
2030	965,000			365,000			
2031	1,010,000			380,000			6,610,513
2032	1,065,000			400,000			
2033	1,115,000			420,000			
2034	1,175,000			440,000			
2035	1,235,000			460,000			
2036	1,305,000			485,000			8,100,000
Total all years	<u>\$28,310,000</u>	<u>\$12,205,000</u>	<u>\$6,375,000</u>	<u>\$32,829,017</u>	<u>\$2,240,000</u>	<u>\$10,500,000</u>	<u>\$92,459,017</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2006

NOTE 7 - LONG -TERM DEBT-Continued

The following fund balances represent long-term debt amounts available in other funds:

Governmental Type Funds	
Designated for Debt Service	<u>\$1,585,353</u>

NOTE 8 - PENSION PLAN

Plan Description

The County of Muskegon has a defined benefit pension plan for its employees that provides retirement, disability and death benefits to its members and beneficiaries. The plan is administered by the Municipal Employees Retirement System (MERS), an agent multiple employer pension plan created under Public Act 135 of 1945. MERS issues a publicly available financial report that includes financial statements and required supplemental information for the County. This report may be obtained by writing to MERS, 1134 Municipal Way, Lansing , Michigan, 48917, or by calling (517) 703-9030.

Funding Policy

Members are required to contribute from 0-6.28 % of their annual covered salary. The County is required to contribute at an actuarially determined rate; the average current rate is 9.5 % of annual covered payroll. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners.

Annual Pension Cost

For 2006, the County's annual pension cost was \$4,111,794 with the full amount being paid. The required contribution was determined as part of the December 31, 2004 actuarial valuation, using the entry age actuarial cost method. The actuarial assumptions include: a) 8% Investment Rate of Return (net of administrative expenses) and b) projected salary increases of 4.5-12.9% per year. The actuarial value of the County MERS plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The County's unfunded actuarial accrued liability is being amortized as a level percent of payroll over the next 30 years. The amortization period is open.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2006

NOTE 8 - PENSION PLAN-Continued

Three Year Trend Information (Dollar Amounts in Thousands)			
<u>Ending</u>	<u>Pension Cost (APC)</u>	<u>of APC Contributed</u>	<u>Obligation</u>
12/31/04	3,207	100%	0
12/31/05	3,735	100%	0
12/31/06	4,211	100%	0

Analysis of Funding Progress

Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Liability (2) -(1)	(5) Annual Covered Payroll	(6) Ratio of Unfunded (Funding excess) to Covered Payroll (4)/(5)
2003	126,002,635	139,437,442	90%	13,434,807	42,359,877	32%
2004	132,592,139	150,790,345	88%	18,198,206	44,540,152	41%
2005	139,839,863	161,382,478	87%	21,542,615	44,152,941	49%

NOTE 9 - LEASES

The County leases certain office space and equipment under operating leases, which expire on various dates through 2006, with aggregate minimum monthly rentals of \$2,663. Rental expense under operating leases was \$716,351 for the year ended September 30, 2006.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the combined statements - Overview, of certain information concerning individual funds including:

(a ) Individual fund interfund receivable and payable balances. Such balances at September 30 were:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund (1010)	\$5,183,713	General Fund (1010)	\$2,500,000
Revenue Sharing Reserve(2850)	2,500,000	Co-Op Reimb. Pros. (1150)	11,254
		Emergency Services (1190)	354,661
		Marine Safety (1200)	81,995
		Highway Safety Programs (1210)	67,879
		Family Court (2150)	117,737
		Community Corrections (2640)	87,789
		Project Cornerstone (2650)	19,302
		Wagner-Peyser (2731)	14,388
		TAA/NAFTA (2733)	100,718
		Economic Development Job Training (2750)	88,699

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

(a) Individual fund interfund receivable and payable balances - continued

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
		Work First (2751)	777,801
		WIA Admin Pool (2760)	247,213
		WIA Service Center Operations (2767)	1,967
		Reed Act Funds (2769)	10,953
		Crime Victim's Rights (2800)	35,469
		Brookhaven (2900)	876,521
		Child Care Facility (2920)	575,535
		Veterans Trust (2940)	18,927
		Hall of Justice (4130)	<u>2</u>
		<b>Subtotal Governmental</b>	<b><u>5,988,810</u></b>
		Delinquent Tax Revolving (5100)	234,408
		Tax Forfeitures (5110)	5,903
		Muskegon County Airport (5810)	<u>1,454,592</u>
		<b>Subtotal Proprietary</b>	<b><u>1,694,903</u></b>
	<u>\$7,683,713</u>		<u>\$7,683,713</u>

The interfund balances are mainly cash loans to funds until Federal and State grant reimbursements are received.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances. Such balances at September 30 were:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General (1010)	\$3,792,887	\$11,887,444
Co-Op Reimb.-Pros. (1150)	102,824	
Emergency Services (1190)	230,999	
Marine Safety (1200)	50,979	
Highway Safety Programs (1210)	1,000	
Township Patrols (1240)	126,896	
Park Fund (2080)		34,004
Prosecutor Family Court (2140)	157,739	
Family Court (2150)	1,619,442	
Health Department (2210)	1,790,220	
Community Mental Health (2220)		97,793
Managed Care (2222)	703,398	
Accommodations Tax (2300)		130,629
Parks Development (2411)		22,789

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances - continued

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Budget Stabilization (2570)	50,000	
Law Library (2610)	27,012	
Community Corrections (2640)	376,160	
Crime Victim's Rights (2800)	19,269	
Comp Strategy Impl. Grant (2821)		972
Juv. Account. Incent. BG (2831)	17,779	
Community Gun Violence (2832)		1,492
Facility Master Plan (2840)	106,818	
Revenue Sharing Reserve (2850)		3,156,503
Revolving Loan Fund EDC (2860)		7,059
Remonumentation Prog. (2890)	10,124	
Brookhaven (2900)	52,063	
Social Services (2910)	9,586	
Child Care Facility (2920)	3,552,284	
C.E.D.C. (2960)	314	
Hall of Justice (3130)	488,239	
Public Improvement (4930)	2,162,355	172,335
Fairgrounds Operations (5083)	225,937	
Delinquent Tax Revolving (5163)		6,853,707

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances - continued

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Delinquent Tax Revolving (5164)	6,877,741	1,337,084
Solid Waste Mgmt (5710)	56,793	
Muskegon County Airport (5810)	1,184,787	
Muskegon Co. Airport capital contributions (5810)	195,356	
Northside Water O & M (5910)	7,059	352,240
Drain Project (8010)	<u>57,991</u>	
	<u>\$24,054,051</u>	<u>\$24,054,051</u>

The transfers are primarily from the General fund to support Federal and State grant programs

c) Excess of expenditures over budget in individual funds

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
Health Department (2210)	\$7,582,545	\$8,315,043
Accommodations Tax (2300)	708,845	719,562
Law Library (2610)	30,593	33,748
Library (2710)	0	52,479
TAA/NAFTA (2733)	225,460	473,077
Workfirst (2751)	3,957,577	4,194,556
WIA Admin Pool (2760)	446,244	625,519
WIA Service Center Operations (2767)	75,819	92,373
Facility Master Plan (2840)	89,625	136,818
EDC Loan Revolving (2860)	35,736	39,607

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

c) Excess of expenditures over budget in individual funds - continued

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
Veterans Trust (2940)	26,129	31,654
Mental Health Buildings (2970)	383,603	386,862

All expenditures over appropriations have either been paid by excess revenues, transfers from other funds or by the reductions of current fund balance.

d) Individual fund advances to and from other funds

<u>Fund</u>	<u>Advances to other funds</u>	<u>Advances from other funds</u>
General Fund (1010)	\$588,618	
Delinquent Tax Revolving (5164)	1,342,728	
Solid Waste (5710)	36,741	
Muskegon County Airport (5810)		\$2,402,373
Drain Revolving (6010)		21,500
Equipment Revolving (6660)		603,859
Insurance (6770)	<u>1,059,645</u>	
	<u>\$3,027,732</u>	<u>\$3,027,732</u>

All advances are for capital purchases in the Airport and Equipment revolving funds that will be repaid as funds are made available in the respective funds receiving the advances. The Drain Revolving fund advance will only be repaid if the activities in these funds cease to occur or management determines that there is a better way to handle the activities.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 11- COMMITMENTS

The County has two \$1,000,000 letters of credit with a local financial institution to cover any possible shortfalls in the County's coverage of the solid waste and fly ash landfills. The statutory authority for these obligations is PA Act 451 of 1994, Section 324.11523 (a).

NOTE 12- OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, the County provides post-retirement health care benefits, in accordance with County policies, to all employees who retire from the County on or after attaining the age of 55 with at least 15 years of service. Currently 368 retirees meet those eligibility requirements. The County pays up to 100 percent of the amount of premium (depending on length of service at time of retirement) for medical and hospitalization costs and reimburses retirees for a portion of their dental costs. The County also pays 100 percent of the premium for a Medicare supplement for each retiree eligible for Medicare. Expenditures for post-retirement health care benefits are recognized as retirees report claims and as invoices are received from the insurance carrier. A separate trust fund has been established and funded for the continued payment of these benefits for retirees. During the year, expenditures of \$3,178,602 were recognized for post-retirement health care. The amount of net assets available in the trust fund for future benefit payments was \$14,456,403 as of September 30, 2006.

NOTE 13 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees and the public; and natural disasters. The County has a self-insurance (internal service) fund to account for and finance its uninsured risk of losses. Under this program, the self-insurance fund provides coverage for up to a maximum of \$300,000 for each Workers' Compensation claim, \$250,000 for each general liability claim, \$50,000 for each property damage claim, \$100,000 for each auto claim and the County is partially self-insured for medical costs with a lifetime maximum exposure of \$1 million per participant. The County purchases commercial insurance for claims in excess of the stated coverages and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

All funds of the County participate in the program and make payments to the self-insurance fund based on experience estimates of the amounts needed to pay prior and current year claims and to establish a designation for catastrophic losses with the exception of Brookhaven Workers' Compensation claims which are funded directly by the department on actual claims paid. The designated amount at September 30, 2006 was \$6,820,468. The claim's liability of \$5,462,832 reported in the fund at September 30, 2006, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

Changes in the funds claims liability amount in fiscal 2006 and 2005 were:

	<u>Beginning of year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claim Payments</u>	<u>Balance at end of year</u>
2006	5,888,038	7,795,623	(8,220,829)	5,462,832
2005	3,914,504	13,497,816	(11,524,282)	5,888,038

NOTE 14 - CLOSURE AND POST-CLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its Solid Waste landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfills stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$8.7 million reported as landfill closure and post-closure care liability at September 30, 2006 represents the cumulative amount reported to date based on the use of 54 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 13 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$16.9 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2006. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

	Beginning of year liability	Current year changes in estimates	Balance at end of year
2006	\$8,070,588	\$643,059	\$8,713,647

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 14 - CLOSURE AND POST-CLOSURE CARE COST - continued

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance unanticipated closure and post-closure care. The County is in compliance with these requirements at September 30, 2006. The County expects that future inflation costs will be paid from interest earnings in the Solid Waste Funds. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by the trust fund set up for this purpose.

NOTE 15 - DISCRETE ENTITY NOTES

The following note relates to the Muskegon County Road Commission notes as they appear in their report. The notes are presented here to assure fair disclosure for those items as they appear in this comprehensive annual financial report.

(a) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Compensated Absences

The road commission accrues unused portions of vacation pay in the period the fund liability is incurred. As permitted by GASB 16, the vesting method is used to accrue the sick leave liability. The liability is based on the sick leave accumulated at year-end by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, a liability for these amounts is reported in the governmental fund only for employee terminations as of year end.

(b) CASH, CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk/Deposits

At year-end, the carrying amount of the commission's deposits was \$6,605,024 and the bank balance was \$6,705,024. Of the bank balance, \$100,000 was covered by federal depository insurance and \$6,605,024 was exposed to custodial credit risk as it was uninsured and uncollateralized.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 15 - DISCRETE ENTITY NOTES - Continued

c) Capital Assets

A summary of changes in capital assets for the year follows:

	<u>Balance October 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2006</u>
Capital Assets not being depreciated				
Land and improvements	\$18,821,714	\$1,345,523	\$ -	\$20,167,237
Construction in progress	<u>339,096</u>	<u>198,072</u>	<u>336,711</u>	<u>200,457</u>
Total Capital Assets not being depreciated	<u>19,160,810</u>	<u>1,543,595</u>	<u>336,711</u>	<u>20,367,694</u>
Capital Assets being depreciated				
Buildings and improvements	3,896,421	-	-	3,896,421
Road equipment	8,428,804	907,135	366,231	8,969,708
Other equipment	2,900,363	66,100	6,736	2,959,727
Infrastructure and improvements	<u>55,099,552</u>	<u>2,382,342</u>	<u>117,082</u>	<u>57,364,812</u>
Total capital assets depreciated	70,325,140	3,355,577	490,049	73,190,668
Less accumulated depreciation for:				
Buildings and improvements	(2,041,757)	(134,964)	-	(2,176,721)
Road equipment	(7,226,822)	(548,493)	(366,231)	(7,409,084)
Other equipment	(1,526,223)	(104,265)	(3,480)	(1,627,008)
Infrastructure and improvements	<u>(24,648,024)</u>	<u>(2,412,599)</u>	<u>(117,082)</u>	<u>(26,943,541)</u>
Total accumulated depreciation	<u>(35,442,826)</u>	<u>(3,200,321)</u>	<u>(486,793)</u>	<u>(38,156,354)</u>
Total capital assets, being depreciated, net	<u>34,882,314</u>	<u>155,256</u>	<u>3,256</u>	<u>35,034,314</u>
Capital Assets, net	<u>\$54,043,124</u>	<u>\$1,698,851</u>	<u>\$339,967</u>	<u>\$55,402,008</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 15 - DISCRETE ENTITY NOTES - Continued

(d) Depreciation expense was charged to functions as follows:

Primary road	\$ 2,261,734
Local Road	816,747
State trunkline	94,965
Administrative	27,145
Total depreciation expense	<u>\$ 3,200,321</u>

(e) LONG-TERM DEBT

Long-term debt consisted of the following as of September 30, 2006:

\$2,000,000 Michigan Transportation Fund Notes, Series 2004; due in annual installments of \$200,000 through 2014; interest at 3.00% to 4.00% (unamortized premium \$10,127).

\$1,610,127

Long Term Compensated Absences

314,935

Total governmental activities long-term liabilities

\$1,925,062

A summary of bonds and loans and long-term compensated absences transactions for the year ended September 30, 2006 follows:

Balance at beginning of year	\$2,102,621
Additions	429,680
Deductions	<u>(607,239)</u>
Balance at end of year	<u>\$1,925,062</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2006

NOTE 16- RECONCILIATION OF CAPITAL OUTLAY

Capital outlay expenditures for governmental funds differ from amounts capitalized. The differences are detailed as follows:

Total capital purchases as reported in the governmental funds :	\$1,132,109
Adjustments	
Prior year purchases	54,170
Trade Ins	30,611
Internal Service purchases	<u>999,972</u>
Net Assets capitalized	<u>\$2,216,862</u>

NOTE 17 - RESTATED NET ASSETS - BEGINNING OF YEAR

In 2006, the County found an error in the expensing of a capital asset in 2005 in a major proprietary fund, Solid Waste. A total of \$122,321 in building costs has been added to the beginning net assets for the Solid Waste fund changing the "net assets at beginning of year" from \$9,967,139 to \$10,089,460.

Required Supplementary Information

County of Muskegon

Schedule of Revenues, Expenditures and Changes in

Fund Balances - Budget and Actual

General and Major Special Revenue Funds

Year Ended September 30, 2006

	General Fund - 1010				Community Mental Health - 2220			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>								
Taxes	\$ 23,372,244	\$ 25,346,841	\$ 25,362,883	\$ 16,042	\$ -	\$ -	\$ -	\$ -
Licenses and permits	26,025	20,000	16,021	(3,979)	-	-	-	-
Operating grants and contributions	2,510,163	2,280,867	2,287,656	6,789	4,030,832	3,952,149	4,074,861	122,712
Charges for services	9,675,184	9,087,325	9,079,358	(7,967)	13,295,540	13,745,372	13,615,165	(130,207)
Fines and forfeitures	828,840	800,184	751,117	(49,067)	-	-	-	-
Investment income	550,000	726,756	989,883	263,127	138,000	138,000	165,193	27,193
Rentals	139,302	133,150	110,656	(22,494)	-	-	-	-
Contributions from private sources	175,000	-	-	-	1,077,724	999,175	1,034,526	35,351
Other	893,501	919,856	920,182	326	392,610	411,482	405,644	(5,838)
<b>Total revenues</b>	<b>38,170,259</b>	<b>39,314,979</b>	<b>39,517,756</b>	<b>202,777</b>	<b>18,934,706</b>	<b>19,246,178</b>	<b>19,295,389</b>	<b>49,211</b>
<b>Expenditures</b>								
<b>Current operations</b>								
Legislative	437,275	418,469	437,877	(19,408)	-	-	-	-
Judicial	7,394,140	7,343,271	6,943,242	400,029	-	-	-	-
General County government	14,019,445	12,710,868	12,441,718	269,150	-	-	-	-
Public safety	10,207,626	10,290,258	10,246,367	43,891	-	-	-	-
Health	-	-	-	-	18,880,255	19,108,023	18,767,613	340,410
Welfare	-	-	-	-	-	-	-	-
Culture	142,997	138,425	144,907	(6,482)	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	906,124	978,751	934,459	44,292	-	-	-	-
Capital outlay	70,200	55,700	23,606	32,094	34,500	36,500	4,097	32,403
<b>Total expenditures</b>	<b>33,177,807</b>	<b>31,935,742</b>	<b>31,172,176</b>	<b>763,566</b>	<b>18,914,755</b>	<b>19,144,523</b>	<b>18,771,710</b>	<b>372,813</b>
<b>Revenues over (under) expenditures</b>	<b>4,992,452</b>	<b>7,379,237</b>	<b>8,345,580</b>	<b>966,343</b>	<b>19,951</b>	<b>101,655</b>	<b>523,679</b>	<b>422,024</b>
<b>Other financing sources (uses)</b>								
Sales of capital Assets	-	-	-	-	-	-	-	-
Transfers in	4,335,485	4,391,395	3,792,887	(598,508)	-	-	-	-
Transfers (out)	(9,684,324)	(11,790,632)	(11,887,444)	(96,812)	(19,951)	(101,655)	(97,793)	3,862
	(5,348,839)	(7,399,237)	(8,094,557)	(695,320)	(19,951)	(101,655)	(97,793)	3,862
<b>NET CHANGE IN FUND BALANCE</b>	<b>(356,387)</b>	<b>(20,000)</b>	<b>251,023</b>	<b>271,023</b>	<b>-</b>	<b>-</b>	<b>425,886</b>	<b>425,886</b>
<b>Fund balance at beginning of year</b>	<b>7,849,357</b>	<b>7,849,357</b>	<b>7,849,357</b>	<b>-</b>	<b>1,068,243</b>	<b>1,068,243</b>	<b>1,068,243</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 7,492,970</b>	<b>\$ 7,829,357</b>	<b>\$ 8,100,380</b>	<b>\$ 271,023</b>	<b>\$ 1,068,243</b>	<b>\$ 1,068,243</b>	<b>\$ 1,494,129</b>	<b>\$ 425,886</b>

Required Supplementary Information

County of Muskegon

Schedule of Revenues, Expenditures and Changes in  
Fund Balances - Budget and Actual (continued)  
General and Major Special Revenue Funds  
Year Ended September 30, 2006

	Managed Care - 2222				Brookhaven Medical Care Facility - 2900			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Operating grants and contributions	3,643,149	4,005,997	4,117,890	111,893	-	-	-	-
Charges for services	39,103,110	44,281,406	44,921,601	640,195	12,249,090	11,204,164	11,366,390	162,226
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	37,300	37,300	19,634	(17,666)	-	-	315	315
Rentals	-	-	-	-	19,200	19,200	16,771	(2,429)
Contributions from private sources	691,156	841,756	605,425	(236,331)	-	1,627	2,249	622
Other	507,254	505,552	601,422	95,870	260,500	1,392,325	1,812,116	419,791
Total revenues	43,981,969	49,672,011	50,265,972	593,961	12,528,790	12,617,316	13,197,841	580,525
<b>Expenditures</b>								
<b>Current operations</b>								
Legislative	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Health	44,666,785	50,346,751	50,923,557	(576,806)	12,475,181	12,643,394	13,526,223	(882,829)
Welfare	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Capital outlay	13,500	37,000	47,580	(10,580)	47,500	-	-	-
Total expenditures	44,680,285	50,383,751	50,971,137	(587,386)	12,522,681	12,643,394	13,526,223	(882,829)
Revenues over (under) expenditures	(698,316)	(711,740)	(705,165)	6,575	6,109	(26,078)	(328,382)	(302,304)
<b>Other financing sources (uses)</b>								
Sales of capital Assets	4,500	4,500	1,767	(2,733)	-	-	-	-
Transfers in	693,816	707,240	703,398	(3,842)	-	-	52,063	52,063
Transfers (out)	-	-	-	-	-	-	-	-
	698,316	711,740	705,165	(6,575)	-	-	52,063	52,063
NET CHANGE IN FUND BALANCE	-	-	-	-	6,109	(26,078)	(276,319)	(250,241)
Fund balance at beginning of year	-	-	-	-	276,319	276,319	276,319	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ 282,428	\$ 250,241	\$ -	(\$ 250,241)

## **Required Supplementary Information**

*County of Muskegon*

*September 30, 2006*

### **Budgetary Information**

Through its budget, the County allocates resources and establishes priorities based on submissions of requests by its departments and outside agencies. An annual budget assures that the County uses its limited resources efficiently and effectively. The budget also assures that its highest priority projects are completed. The budgetary basis of accounting is GAAP.

The annual budget serves from October 1<sup>st</sup> to September 30<sup>th</sup> of each year. It establishes the base for sound financial planning. It also provides performance measures and controls to permit the evaluation and adjustment of County resources as the need arises.

The County of Muskegon's budget has four major categories; personnel, supplies, services, and capital outlay. Personnel, supplies and services are recurring expenses (operational) while capital outlay are expenditures that are one time in nature. The capital outlay costs are for those items of a permanent nature that have a unit cost of \$1,000 or more.

The budgetary process starts in February when departments receive budget worksheets with assumptions that project expenses for the coming year. Departments add/change/modify these worksheets based on changing priorities and submit them to the budget department. The budget department reviews the worksheets for accuracy, and in conjunction with administration, suggest changes based on priorities as defined by the Board of Commissioners and revenue constraints. After administration review, departments go before the Board in a public meeting to discuss its priorities. In August, a draft budget is sent to the Ways and Means committee for final review. In August or September, the Board approves the final budget for the coming fiscal year.

### **Budgetary highlights**

The original budget estimated a 3% increase in salaries. The actual increase was 3.25%.

Interest rates increased beyond expectations. This caused an increase in expected revenue of \$177,000

Property taxes increased 8% because of the allowed acceleration in the assessment of increases in taxable value by the equalization department.

## Required Supplementary Information - continued

*County of Muskegon*

*September 30, 2006*

### Budgetary amendments to the original budget

During the year, events occurred that caused our priorities to shift and therefore our budget to be modified. Some of the significant items were:

#### General Fund

- An decrease in the District Court Collections Expanded costs of \$97,000 resulting from late startup of the program.
- The Gypsy Moth program of \$350,000 was eliminated due to low egg mass population.
- The Corporate Counsel department was eliminated mid year and a private firm was hired.
- The original budget projected an 15% increase in health care costs. The actual amount was a 10% reduction in rates.
- General liability insurance costs were reduced by \$298,000

#### Other Funds

The expenditures over budget in the Managed Care and Brookhaven funds were covered by additional fund transfers.

Fund description	Budget	Actual
Managed Care (2222)	\$50,383,751	\$50,971,137
Brookhaven (2900)	\$12,643,394	\$13,526,223

Expenditures in the departments of the General Fund were covered either by additional revenue or by reduction of fund balance

**Required Supplementary Information**

*County of Muskegon*

*Municipal Employees Retirement System of Michigan  
Schedule of Funding Progress  
Year ended September 30, 2006*

<b>Actuarial Valuation Date</b>	<b>Actual Asset Value</b>	<b>Entry Age Actuarial Accrued Liability</b>	<b>UnderFunded (Overfunded) Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UnderFunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll Payroll</b>
12/31/03	126,002,635	139,437,442	13,434,807	90.4%	42,359,877	32 %
12/31/04	132,592,139	150,790,345	18,198,206	87.9%	44,540,152	41 %
12/31/05	139,839,863	161,382,478	21,542,615	86.7%	44,152,941	49 %

## County of Muskegon

### Budget and actual by Department - General Fund

Year Ended September 30, 2006

	Original Budget	Final Budget	Actual	Difference (+/-)
101 Board of Commissioners	\$ 437,275	\$ 418,469	\$ 437,877	(\$ 19,408)
131 Circuit Court	1,338,324	1,334,737	1,184,548	\$ 150,189
132 Circuit Court Collections	93,313	72,591	71,280	\$ 1,311
135 District Court Collections Expanded	285,248	188,023	125,669	\$ 62,354
136 District Court	3,448,769	3,501,093	3,383,058	\$ 118,035
137 Probation C obo H all Tax	167,751	168,375	155,229	\$ 13,146
138 District Court Collections	161,811	161,398	164,314	(\$ 2,916)
145 Jury Commission	33,475	29,600	28,037	\$ 1,563
148 Probate Court	733,717	762,012	731,038	\$ 30,974
151 State Probation	66,641	64,393	61,159	\$ 3,234
164 Public Defender	1,057,700	1,054,158	1,029,231	\$ 24,927
171 Administration	1,028,085	1,002,324	1,001,260	\$ 1,064
191 Elections	195,842	187,395	117,700	\$ 69,695
201 Accounting	651,026	584,399	570,400	\$ 13,999
210 Corporate Counsel	355,064	159,306	188,290	(\$ 28,984)
215 County Clerk	433,588	419,534	418,939	\$ 595
216 Circuit Court Records	443,874	464,627	469,102	(\$ 4,475)
225 Equalization	1,672,583	1,544,392	1,372,710	\$ 171,682
226 Human Resources	473,886	472,486	455,566	\$ 16,920
229 Prosecutor	2,127,459	2,040,639	2,056,371	(\$ 15,732)
233 Purchasing	271,292	269,702	265,640	\$ 4,062
236 Register of Deeds	603,235	574,036	562,662	\$ 11,374
242 Training Center	52,828	54,354	50,740	\$ 3,614
248 Stark Hall	21,462	26,871	22,056	\$ 4,815
252 Transfers	1,861,037	1,835,836	1,851,277	(\$ 15,441)
253 Treasurer	717,867	707,615	715,279	(\$ 7,664)
260 Shady Grove Cemetery	2,916	2,841	3,579	(\$ 738)
262 Pere Marquette Depot	-	-	743	(\$ 743)

## County of Muskegon

### Budget and actual by Department - General Fund (continued)

Year Ended September 30, 2006

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Difference (+/-)</b>
263 Cordova Site O&M	\$ 21,312	\$ 13,452	\$ 13,274	\$ 178
265 Courthouse and Grounds	1,032,152	997,472	990,568	\$ 6,904
266 Facility Security Services	92,394	85,011	81,457	\$ 3,554
268 Oak Ave. Building	140,763	117,950	94,844	\$ 23,106
269 Harris Building	45,495	46,507	53,631	(\$ 7,124)
271 County Jail Building	318,580	342,780	372,925	(\$ 30,145)
273 Heritage Landing O&M	157,077	148,996	108,237	\$ 40,759
275 Drain Commissioner	290,904	279,844	276,117	\$ 3,727
284 Plat Board	916	916	-	\$ 916
285 Gypsy Moth	350,000	-	-	\$ -
297 Vehicle Pool	15,760	12,032	15,888	(\$ 3,856)
301 Sheriff Operations	3,548,485	3,463,417	3,448,092	\$ 15,325
305 Sheriff Administration	399,079	401,606	399,355	\$ 2,251
320 Officer Training Act 302	12,000	12,000	8,954	\$ 3,046
350 Correction Officer Training	70,000	118,695	119,690	(\$ 995)
351 Sheriff Jail	5,288,974	5,343,613	5,327,732	\$ 15,881
355 Courtroom Security	890,788	957,127	946,444	\$ 10,683
650 State Institutions	172,704	172,704	185,452	(\$ 12,748)
731 MSU Extension	142,997	138,425	144,907	(\$ 6,482)
941 Misc Contingency	627,501	357,197	353,989	\$ 3,208
959 Information Systems	823,858	824,792	736,865	\$ 87,927
Totals	\$33,177,807	\$31,935,742	\$31,172,175	\$763,567

## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds account for specific activities (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Cooperative Reimbursement-Prosecutor (1150)--to account for monies granted to the county by the Michigan Family Independence Agency for the prosecuting attorney's department to provide services to aid ADC recipients in accordance with the HHS approved state plan to establish paternity and securing child support.

Emergency Services (1190)--to account for monies granted to the county by the state and appropriated from the General Fund for the purpose of maintaining a department to provide essential services during emergency or disaster conditions.

Marine Safety (1200)--to account for monies granted to the county by the Department of Natural Resources and appropriated from the General Fund for the purpose of establishing a comprehensive marine safety program in the county and to provide sheriff's patrol and protection for the county's Lake Michigan shoreline and inland lakes and waterways.

Highway Safety Programs (1210)--to account for monies granted to the county by the state for the purpose of providing additional car miles of traffic safety enforcement, emergency assistance, safety inspection and accident prevention patrol of roads and parks as described in P.A. 416 of 1978.

Township Patrols (1240)--to account for monies received by the county from participating townships to provide enhanced road patrol protection to those geographic areas.

Park Fund (2080)--to account for monies received by park fees and vehicle permits and county appropriations for operation and administration of all park lands and properties in Muskegon County.

Prosecutor Family Court (2140)--to account for monies received by the county from the Family Independence Agency to hire personnel who are assigned to the Family Court Division to represent children in abuse/neglect cases.

Family Court (2150)--to account for monies received by Muskegon County from state grants. The money is used to assist in establishing paternity and securing child support payments.

Family Court Re-Entry Initiative (2152)--to account for monies received by Muskegon County from state grants. The money is used to reduce the placement of juveniles in youth homes and bring them back into the community faster.

Health Department (2210)--to account for monies received by Muskegon County from federal and state grants. The Health Department is a large complex system servicing county residents by providing numerous programs. Some examples are: environmental health, air pollution, communicable disease, alcohol prevention, dental care, maternity care, family planning, personal health and nurses support.

Accommodations Tax (2300)--to account for the collection and related expenses connected with a five percent excise tax which is imposed on all persons engaged in the business of providing rooms for transient guests within the County of Muskegon. It has been adopted pursuant to Act No. 263, Public Acts of the State of Michigan, 1974 and an ordinance adopted by the Muskegon County Board of Commissioners on February 20, 1981.

Parks Development (2411)--to account for monies received by Muskegon County from state and local grants to finance improvements to various county parks.

Deed Automation Fund (2560)--to account for fees collected to enhance and maintain technology in the register of deeds office.

Budget Stabilization (2570)--to account for monies appropriated from the county for the purpose of maintaining the current level and quality of public service. Funds are to be used only in the occurrence of an identified shortfall during any single budget period.

Law Library (2610)--to account for monies set aside for the purpose of maintaining a law library.

Community Corrections (2640)--to account for monies granted to the county by the state to provide alternatives such as tethers, bail screening and additional probation and alleviate jail overcrowding problems.

Project Cornerstone (2650)--to account for monies granted to the county by the Federal government to collaborate with local governments to hire personnel who are dedicated to work with police, public agencies, and private citizens/organizations to assist in maintaining and improving target areas for quality of life issues.

TNT Drug (2671)--to account for proceeds of forfeited property seized in connection with a violation of the controlled substance statutes. These funds are set aside for drug law enforcement.

Library (2710)--to account for monies which are set aside for the county library. The county library was established in 1938, under Act 138 of PA 1917, and operates nine branches to promote the development of county citizens. County appropriations, state grants and district court penal fines account for the major revenues in this fund. Voters in February 2006 approved a 10 year millage to assist the library in becoming a separate quasi-governmental entity.

Wagner Peyser (2731)--to account for monies for recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge and skills.

TAA/NAFTA (2733)--to account for federal pass-through monies that provide training and economic assistance to workers dislocated as a result of increased foreign trade.

Reemployment Services (2738)--State funds used to provide services to companies to help employ laid off workers from their organization.

MI WECAN (2744)-to account for federal pass-through funds from the state received by the county used to improve the access to and the provision of adult basic education and literacy services through the innovative use of distance learning technologies.

Regional Skills Alliance (2747)-to account for federal pass-through funds from the state received by the county used to address the workforce development needs of health care entities covering a twelve county geographic area.

Economic Development Job Training (2750)--to account for state grant monies to expand educational opportunities, encourage the creation of new jobs, retain existing workers in a changing workplace and strengthen the State of Michigan's economic base.

Workfirst (2751)--to account for federal pass-through funds from the Michigan Family Independence Agency to provide occupational skilled training for Muskegon and Oceana county adults.

Food Stamp Program (2759)--to account for monies that provide work activities for those who would otherwise lose food stamp assistance because of the time limits imposed under welfare reform legislation.

WIA Admin Pool (2760)--to account for federal pass-through funds from the state received by the county as a prime sponsor for Muskegon and Oceana Counties under the Workforce Investment Act. These funds are targeted for training and employment programs for the unemployed and economically disadvantaged citizens of Muskegon and Oceana counties.

WIA Adult Program (2761)--to account for federal pass-through funds from the state received by the county as a prime sponsor for Muskegon and Oceana counties under the Workforce Investment Act. These funds are targeted for training and employment of economically disadvantaged adults.

WIA Youth Programs (2762)--federal funds used pursuant to the goals of the local community and Workforce Investment Act to provide youth opportunities for assistance in both academic and occupational learning; developing leadership skills; and preparing for further educational opportunities, additional training, and eventual employment.

WIA Dislocated Worker Program (2763)--federal funds used in coordination with unemployment compensation, Trade Adjustment Assistance and Rapid Response assistance to provide the dislocated worker population job finding, placement, and re-employment services.

Strategic Planning (2765)--to account for monies granted to the county from the State of Michigan for the development of an integrated strategic plan that addresses the successful achievements of multiple goals of Muskegon County.

WIA Youth Statewide (2766)--funds allocated by the state to supplement WIA Youth Program activities.

WIA Service Center Operations (2767)-to account for federal pass-through funds from the state received by the county used to support the activities of local one stop service centers.

Incumbent Worker Program (2768)--to account for federal pass-through funds for assistance to companies in averting layoffs by providing upgraded skills and training to current employees.

Reed Act Funds (2769)--to account for federal pass-through funds to supplement a portion of the existing Work First and Service Center Operations.

Crime Victims' Rights (2800)--to account for federal and state funds received by the county to pay for coordinators to work with and support victims of a crime. The coordinators advise victims of their rights, make referrals to appropriate counseling agencies, if necessary, and acts as a liaison between the victim and the criminal justice system.

Comp Strategy Implementation Grant (2821)--to account for monies received from the state to fill in gaps in support for youth identified in the restorative justice program.

Juvenile Accountability Incentive Block Grant (2831)--to account for monies to hire personnel to prosecute for juvenile crimes. Remaining funds will cover drug testing for adjudicated individuals, training, substance abuse assessments and group treatment.

Community Gun Violence (2832)--to account for Federal pass-through funds for developing and sharing information on crimes involving guns across local, State and Federal information systems.

Facility Master Plan (2840)--to account for county funds for the analysis and recommendations of building/rebuilding county facilities

Revenue Sharing Reserve (2850)-to account for property tax revenues created by shifting the County operating tax levy from December to July over a three year period. State Revenue Sharing and SBT payments were eliminated in the State's fiscal year 2005 budget and this reserve fund represents a temporary replacement of that revenue stream to the General Fund until 2011.

EDC Loan Revolving (2860)--to account for monies granted from the State of Michigan Department of Commerce to accommodate loans made by the County of Muskegon Economic Development Commission to area businesses for expansion of those businesses.

Rambusch-Fuchs CDBG Grant (2873)--to account for monies from the federal government for use in the construction of a commercial lighting company in the County of Muskegon.

Downtown Redevelopment Project (2876)--to account for monies recieved by the county from the State and passed through to the City of Muskegon for redevelopment of the downtown urban area.

Remonumentation Program (2890)--to account for grants received from the State of Michigan for surveying and reestablishing section corners.

Social Welfare (2910)--to account for state funds for providing assistance in housing, food and child care for the indigent population in Muskegon County

Child Care Facility (2920)--to account for state grant monies and county appropriations to aid children who need to be placed outside their homes, supporting a centralized care facility for children and the support of foster children in foster care homes.

Veteran's Trust (2940)--to account for monies received from the state to aid U.S. military veterans who are residents of the State of Michigan and County of Muskegon.

C.E.D.C. (2960)-to account for monies received from the County General Fund for the primary purpose of encouraging business expansion in the County.

Mental Health Buildings (2970)--to record the revenues received from Hackley Hospital and Community Mental Health for use in maintaining the Community Mental Health Building.

Victim Restitution (2980)--to account for fines from juvenile traffic offenders and used to repay victims for property damaged by those juveniles.

### **DEBT SERVICE FUNDS**

Debt services funds are permitted rather than required. The funds listed here are required because financial resources are being accumulated for principal and interest payments maturing in future years.

Quality of Life Debt ( 3111)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Frauenthal Center and Walker Arena renovations.

Hall of Justice Debt (3130)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Hall of Justice.

Halmond Center Debt (3142/3143)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Halmond Center.

## **CAPITAL PROJECTS FUNDS**

The use of capital project funds is permitted rather than required. Capital project funds are used to report major capital acquisitions or construction separately from the County's ongoing operations. Capital projects for proprietary and trust funds are reported within their respective funds.

Hall of Justice (4130)--to account for revenues and expenditures associated with the renovation of the building previously known as the County Building into a Hall of Justice.

Heritage Landing (4180)--to account for revenues and expenditures associated with the improvement and development of the county's lakefront property.

Fruitport/Norton Shores Sewer Project (4618)--to account for revenues and expenditures for constructing a water supply system facility to serve property in the Fruitport Charter Township and the City of Norton Shores located in the County of Muskegon.

Muskegon Township Sewer/Water (4640)--to account for revenues and expenditures for extending a water and sewer supply system facility to serve property in Muskegon Charter Township located in the County of Muskegon.

Muskegon/Egelston/Dalton Sewer (4641)--to account for revenues and expenditures for extending sewer systems to surrounding rural areas of the county.

Whitehall Township Water (4645)--to account for revenues and expenditures for extending the regional water system to surrounding rural areas of the township.

Public Improvement (4930)--established by appropriation from the county's General Fund for future general projects developed according to the county's capital improvement budgeting program. While its use is intended for capital improvements, it is not restricted to that purpose.

Capital Improvement (4960)--to account for resources used for the acquisition of capital facilities. Its purpose is to accumulate funds to finance, entirely or partially, capital projects from resources other than bond indebtedness. It is restricted to capital improvement expenditures.

Drain Revolving (6010)--to account for monies spent by the Drain Commissioner prior to actual levies for specific drain work. The monies for this purpose are loaned from the county's General Fund and replenished as assessments are made.

Drain Projects (8010)--to account for the monies received and expended by the Drain Commissioner for the purpose of creating, extending, and repairing drains within the county.

## **PERMANENT FUNDS**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings from investments within the fund can be used to support the programs that they were originally designed.

Cemetery Trust (1500)--to account for monies earned and expended on the flower maintenance of Cemetery plots in County maintained cemeteries

Medical Care Facility Endowment (1550)--to account for monies earned and expended for the residents of the Brookhaven Medical Care Facility

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2006

**SPECIAL REVENUE**

	Cooperative Reimbursement Prosecutor (1150)	Emergency Services (1190)	Marine Safety (1200)	Highway Safety Programs (1210)	Township Patrols (1240)	Park Fund (2080)	Prosecutor Family Court (2140)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 681	\$ 9,959	\$ 78
Investments	-	-	-	-	10,288	150,412	1,185
Receivables							
Accounts	-	2,193	-	-	32,514	53	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	23,089	388,446	97,628	76,124	-	-	6,190
Accrued Interest	-	-	-	-	-	861	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 23,089</u>	<u>\$ 390,639</u>	<u>\$ 97,628</u>	<u>\$ 76,124</u>	<u>\$ 43,483</u>	<u>\$ 161,285</u>	<u>\$ 7,453</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 180	\$ 2,211	\$ 785	\$ 19	\$ -	\$ 18,582	\$ -
Intergovernmental payable	-	7,680	-	-	-	-	-
Accrued liabilities	11,655	5,005	5,828	8,226	8,107	8,033	7,453
Due to other funds	11,254	354,661	81,995	67,879	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	35,164	-	-
	<u>23,089</u>	<u>369,557</u>	<u>88,608</u>	<u>76,124</u>	<u>43,271</u>	<u>26,615</u>	<u>7,453</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	21,082	9,020	-	212	134,670	-
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>21,082</u>	<u>9,020</u>	<u>-</u>	<u>212</u>	<u>134,670</u>	<u>-</u>
	<u>\$ 23,089</u>	<u>\$ 390,639</u>	<u>\$ 97,628</u>	<u>\$ 76,124</u>	<u>\$ 43,483</u>	<u>\$ 161,285</u>	<u>\$ 7,453</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2006

**SPECIAL REVENUE**

	Family Court Re-entry Initiative (2150)	Family Court Re-entry Initiative (2152)	Health Department (2210)	Accommodations Tax (2300)	Parks Development (2411)	Deed Automation Fund (2560)	Budget Stabilization (2570)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 2,096	\$ 21,887	\$ 4,144	\$ -	\$ 34,230	\$ 130,412
Investments	-	31,650	330,553	62,592	-	516,971	1,969,588
Receivables							
Accounts	415	-	54,934	65,528	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	346,597	183,348	257,207	-	-	-	-
Accrued Interest	-	1,759	47	308	-	6,059	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	17,490	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 347,012</u>	<u>\$ 218,853</u>	<u>\$ 682,118</u>	<u>\$ 132,572</u>	<u>\$ -</u>	<u>\$ 557,260</u>	<u>\$ 2,100,000</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 8,007	\$ 50,274	\$ 254,462	\$ 9,849	\$ -	\$ 18	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	148,873	1,854	273,557	10,234	-	-	-
Due to other funds	117,737	-	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	8,940	-	-	-	-
	<u>274,617</u>	<u>52,128</u>	<u>536,959</u>	<u>20,083</u>	<u>-</u>	<u>18</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	72,395	166,725	145,159	112,489	-	557,242	-
Undesignated	-	-	-	-	-	-	2,100,000
	<u>72,395</u>	<u>166,725</u>	<u>145,159</u>	<u>112,489</u>	<u>-</u>	<u>557,242</u>	<u>2,100,000</u>
	<u>\$ 347,012</u>	<u>\$ 218,853</u>	<u>\$ 682,118</u>	<u>\$ 132,572</u>	<u>\$ -</u>	<u>\$ 557,260</u>	<u>\$ 2,100,000</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2006

**SPECIAL REVENUE**

	Law Library (2610)	Community Corrections (2640)	Project Cornerstone (2650)	TNT Drug (2671)	Library (2710)	Wagner Peyser (2731)	TAA/NAFTA (2733)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 213	\$ -	\$ -	\$ 3,770	\$ -	\$ -	\$ -
Investments	3,223	-	-	56,931	-	-	-
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	196,534	25,377	-	-	77,437	196,960
Accrued Interest	-	-	-	816	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 3,436</u>	<u>\$ 196,534</u>	<u>\$ 25,377</u>	<u>\$ 61,517</u>	<u>\$ -</u>	<u>\$ 77,437</u>	<u>\$ 196,960</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 3,436	\$ 90,146	\$ 3,159	\$ -	\$ -	\$ 63,049	\$ 96,242
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	18,599	2,916	-	-	-	-
Due to other funds	-	87,789	19,302	-	-	14,388	100,718
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>3,436</u>	<u>196,534</u>	<u>25,377</u>	<u>-</u>	<u>-</u>	<u>77,437</u>	<u>196,960</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	61,517	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 3,436</u>	<u>\$ 196,534</u>	<u>\$ 25,377</u>	<u>\$ 61,517</u>	<u>\$ -</u>	<u>\$ 77,437</u>	<u>\$ 196,960</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2006

**SPECIAL REVENUE**

	Reemployment Services (2738)	MI WECAN (2744)	Regional Skills Alliance (2747)	Economic Development Job Training (2750)	Workfirst (2751)	Food Stamp Program (2759)	WIA Admin Pool (2760)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,597	\$ 3,633	\$ -	\$ -	\$ -	\$ -	\$ 6
Investments	24,116	54,867	-	-	-	-	94
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	-	88,699	2,141,946	-	316,942
Accrued Interest	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 25,713</u>	<u>\$ 58,500</u>	<u>\$ -</u>	<u>\$ 88,699</u>	<u>\$ 2,141,946</u>	<u>\$ -</u>	<u>\$ 317,042</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 25,713	\$ 58,500	\$ -	\$ -	\$ 1,364,145	\$ -	\$ 29,215
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	40,614
Due to other funds	-	-	-	88,699	777,801	-	247,213
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>25,713</u>	<u>58,500</u>	<u>-</u>	<u>88,699</u>	<u>2,141,946</u>	<u>-</u>	<u>317,042</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 25,713</u>	<u>\$ 58,500</u>	<u>\$ -</u>	<u>\$ 88,699</u>	<u>\$ 2,141,946</u>	<u>\$ -</u>	<u>\$ 317,042</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2006

**SPECIAL REVENUE**

	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)	Strategic Planning (2765)	WIA Youth Statewide (2766)	WIA Service Center Operations (2767)	Incumbent Worker Program (2768)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 33,651	\$ 3,765	\$ 32,068	\$ 2,449	\$ 378	\$ -	\$ -
Investments	508,232	56,860	484,321	36,985	5,713	-	-
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	20,223	103,043	22,995	-	728	19,992	-
Accrued Interest	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 562,106</u>	<u>\$ 163,668</u>	<u>\$ 539,384</u>	<u>\$ 39,434</u>	<u>\$ 6,819</u>	<u>\$ 19,992</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 562,106	\$ 161,639	\$ 539,384	\$ -	\$ 6,819	\$ 18,025	\$ -
Intergovernmental payable	-	-	-	39,434	-	-	-
Accrued liabilities	-	2,029	-	-	-	-	-
Due to other funds	-	-	-	-	-	1,967	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>562,106</u>	<u>163,668</u>	<u>539,384</u>	<u>39,434</u>	<u>6,819</u>	<u>19,992</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 562,106</u>	<u>\$ 163,668</u>	<u>\$ 539,384</u>	<u>\$ 39,434</u>	<u>\$ 6,819</u>	<u>\$ 19,992</u>	<u>\$ -</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2006

	SPECIAL REVENUE						
	Reed Act Funds (2769)	Crime Victims' Rights (2800)	Comp Strategy Implementation Grant (2821)	Juv. Account- ability Incentive Block Grant (2831)	Community Gun Violence (2832)	Facility Master Plan (2840)	Revenue Sharing Reserve (2850)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 55	\$ -	\$ 1,113	\$ 288,914
Investments	-	-	-	834	-	16,812	4,363,428
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	11,071	43,208	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	2,500,000
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 11,071</u>	<u>\$ 43,208</u>	<u>\$ -</u>	<u>\$ 889</u>	<u>\$ -</u>	<u>\$ 17,925</u>	<u>\$ 7,152,342</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 118	\$ -	\$ -	\$ -	\$ -	\$ 17,925	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	6,840	-	889	-	-	-
Due to other funds	10,953	35,469	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>11,071</u>	<u>42,309</u>	<u>-</u>	<u>889</u>	<u>-</u>	<u>17,925</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	899	-	-	-	-	-
Undesignated	-	-	-	-	-	-	7,152,342
	<u>-</u>	<u>899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,152,342</u>
	<u>\$ 11,071</u>	<u>\$ 43,208</u>	<u>\$ -</u>	<u>\$ 889</u>	<u>\$ -</u>	<u>\$ 17,925</u>	<u>\$ 7,152,342</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2006

**SPECIAL REVENUE**

	EDC Lo an Revolving (2860)	Ram busch-Fuchs CDBG Grant (2873)	Downtown Redevelopment Project (2876)	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Trust (2940)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 15,243	\$ 220	\$ 11	\$ -	\$ 1,613	\$ 96	\$ -
Investments	230,215	3,329	171	-	24,361	1,454	-
Receivables							
Accounts	71,266	-	-	-	20,000	88	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	132,263	888,763	21,495
Accrued Interest	3,276	-	67	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 320,000</u>	<u>\$ 3,549</u>	<u>\$ 249</u>	<u>\$ -</u>	<u>\$ 178,237</u>	<u>\$ 890,401</u>	<u>\$ 21,495</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 15,237	\$ 216,400	\$ 2,568
Intergovernmental payable	-	-	-	-	163,000	-	-
Accrued liabilities	-	-	-	-	-	98,466	-
Due to other funds	-	-	-	-	-	575,535	18,927
Lo ng-term advance from other fund s	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,237</u>	<u>890,401</u>	<u>21,495</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	320,000	3,549	249	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>320,000</u>	<u>3,549</u>	<u>249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 320,000</u>	<u>\$ 3,549</u>	<u>\$ 249</u>	<u>\$ -</u>	<u>\$ 178,237</u>	<u>\$ 890,401</u>	<u>\$ 21,495</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2006

	SPECIAL REVENUE			DEBT SERVICE			CAPITAL PROJECTS
	C.E.D.C (2960)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	Halm ond Cente r Debt (3142)/(3143)	Hall of Justice (4130)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 16,303	\$ 2,834	\$ 96,744	\$ 6,926	\$ 827	\$ -
Investments	-	246,218	42,797	1,461,107	104,598	12,496	-
Receivables							
Accounts	-	-	45	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Accrued Interest	-	3,662	562	26,557	-	153	2
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 266,183</u>	<u>\$ 46,238</u>	<u>\$ 1,584,408</u>	<u>\$ 111,524</u>	<u>\$ 13,476</u>	<u>\$ 2</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ 29,570	\$ -	\$ -	\$ -	-	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	1,753	-	45,954	111,524	13,476	-
Due to other funds	-	-	-	-	-	-	2
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	210,647	-	-	-	-	-
	<u>-</u>	<u>241,970</u>	<u>-</u>	<u>45,954</u>	<u>111,524</u>	<u>13,476</u>	<u>2</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	24,213	46,238	1,538,454	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>24,213</u>	<u>46,238</u>	<u>1,538,454</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 266,183</u>	<u>\$ 46,238</u>	<u>\$ 1,584,408</u>	<u>\$ 111,524</u>	<u>\$ 13,476</u>	<u>\$ 2</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2006

**CAPITAL PROJECTS**

	Heritage Landing (4180)	Fruitport/NS Sewer Project (4618)	Muskegon Township Sewer/Water (4640)	Muskegon/ Egelston/D alton Sewer (4641)	Whitehall Township Water (4645)	Public Improvement (4930)	Capital Improvement (4960)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,615	\$ 78,566	\$ -	\$ 666,766	\$ 618	\$ 245,612	\$ 2,363
Investments	39,499	1,186,573	-	10,070,068	9,332	3,709,436	35,681
Receivables							
Accounts	-	-	-	82,217	-	280,472	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Accrued Interest	-	16,257	-	103,329	-	21,302	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	1,000,000	300,000
	<u>\$ 42,114</u>	<u>\$ 1,281,396</u>	<u>\$ -</u>	<u>\$ 10,922,380</u>	<u>\$ 9,950</u>	<u>\$ 5,256,822</u>	<u>\$ 338,044</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ -	\$ -	\$ 2,559,839	\$ 9,950	\$ 75,617	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	278,472	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,559,839</u>	<u>9,950</u>	<u>354,089</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	1,000,000	300,000
Unreserved							
Designated for programs	42,114	1,281,396	-	8,362,541	-	3,902,733	38,044
Undesignated	-	-	-	-	-	-	-
	<u>42,114</u>	<u>1,281,396</u>	<u>-</u>	<u>8,362,541</u>	<u>-</u>	<u>4,902,733</u>	<u>338,044</u>
	<u>\$ 42,114</u>	<u>\$ 1,281,396</u>	<u>\$ -</u>	<u>\$ 10,922,380</u>	<u>\$ 9,950</u>	<u>\$ 5,256,822</u>	<u>\$ 338,044</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2006

	CAPITAL PROJE CTS		PERMANENT FUNDS		Total All Funds
	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 859	\$ 25,425	\$ 2,174	\$ 1,077	\$ 1,741,993
Investments	12,979	383,996	32,827	16,264	26,309,054
Receivables					
Accounts	-	5,093	-	11	614,829
Assessments receivable-deferred	7,662	-	-	-	7,662
Intergovernmental	-	-	-	-	5,686,305
Accrued Interest	-	4,487	-	224	189,728
Due from other funds	-	-	-	-	2,500,000
Prepaid Items	-	-	-	-	17,490
Long-term Note receivable	-	-	-	-	1,300,000
	<u>\$ 21,500</u>	<u>\$ 419,001</u>	<u>\$ 35,001</u>	<u>\$ 17,576</u>	<u>\$ 38,367,061</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Accounts Payable	\$ -	\$ 15,677	\$ -	\$ -	\$ 6,308,866
Intergovernmental payable	-	-	-	-	210,114
Accrued liabilities	-	4,170	-	-	836,055
Due to other funds	-	-	-	-	2,612,289
Long-term advance from other funds	21,500	-	-	-	21,500
Deferred revenue	-	-	-	-	533,223
	<u>21,500</u>	<u>19,847</u>	<u>-</u>	<u>-</u>	<u>10,522,047</u>
Fund balance (deficit)					
Reserved for long-term note receivable	-	-	-	-	1,300,000
Unreserved					
Designated for programs	-	399,154	35,001	17,576	17,292,672
Undesignated	-	-	-	-	9,252,342
	<u>-</u>	<u>399,154</u>	<u>35,001</u>	<u>17,576</u>	<u>27,845,014</u>
	<u>\$ 21,500</u>	<u>\$ 419,001</u>	<u>\$ 35,001</u>	<u>\$ 17,576</u>	<u>\$ 38,367,061</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2006

	SPECIAL REVENUE						
	Cooperative Reimbursement Prosecutor (1150)	Emergency Services (1190)	Marine Safety (1200)	Highway Safety Programs (1210)	Township Patrols (1240)	Park Fund (2080)	Prosecutor Family Court (2140)
<b>Revenues</b>							
Grants							
State	\$ 69,324	\$ -	\$ 90,887	\$ 206,462	\$ -	\$ -	\$ 39,831
Federal	-	-	-	-	-	-	-
Federal pass-thru	130,250	1,043,911	26,200	37,502	-	-	-
Local Units	-	-	-	-	127,302	-	-
Charges for services rendered	-	-	-	-	-	663,966	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	350	-	-	-	1,545	-
Rentals	-	-	-	-	-	-	-
Other	-	11,531	444	-	-	152	-
	<u>199,574</u>	<u>1,055,792</u>	<u>117,531</u>	<u>243,964</u>	<u>127,302</u>	<u>665,663</u>	<u>39,831</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	302,398	-	-	-	-	-	197,570
Public Safety	-	507,268	152,710	243,964	259,393	-	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	584,813	-
Capital Outlay	-	779,523	16,997	1,000	-	3,672	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>302,398</u>	<u>1,286,791</u>	<u>169,707</u>	<u>244,964</u>	<u>259,393</u>	<u>588,485</u>	<u>197,570</u>
Revenues over (under) expenditures	(102,824)	(230,999)	(52,176)	(1,000)	(132,091)	77,178	(157,739)
<b>Other financing sources (uses)</b>							
Transfers in	102,824	230,999	50,979	1,000	126,896	-	157,739
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(34,004)	-
Total other financing sources (uses)	<u>102,824</u>	<u>230,999</u>	<u>50,979</u>	<u>1,000</u>	<u>126,896</u>	<u>(34,004)</u>	<u>157,739</u>
Net change in fund balances	-	-	(1,197)	-	(5,195)	43,174	-
Fund balance at beginning of year	-	21,082	10,217	-	5,407	91,496	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 21,082</u>	<u>\$ 9,020</u>	<u>\$ -</u>	<u>\$ 212</u>	<u>\$ 134,670</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2006

	SPECIAL REVENUE						
	Family Court (2150)	Family Court Re-entry Initiative (2152)	Health Department (2210)	Accommodations Tax (2300)	Parks Development (2411)	Deed Automation Fund (2560)	
<b>Revenues</b>							
Grants							
State	\$ 754,013	\$ 209,004	\$ 1,107,272	\$ -	\$ 22,400	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	1,480,207	-	2,683,985	-	-	-	-
Local Units	-	-	24,800	-	-	-	-
Charges for services rendered	287,223	-	2,343,897	-	-	225,525	-
Taxes	-	-	291,254	842,191	-	-	-
Contributions from private sources	-	-	5,065	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	4,869	549	872	389	14,937	-
Rentals	-	-	-	-	-	-	-
Other	64,161	-	110,008	-	-	-	-
	<u>2,585,604</u>	<u>213,873</u>	<u>6,566,830</u>	<u>843,063</u>	<u>22,789</u>	<u>240,462</u>	<u>-</u>
<b>Expenditures</b>							
Current Operations							
Judicial	1,110,637	-	-	-	-	-	-
General County government	3,240,735	188,093	-	716,488	-	37,763	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	8,281,987	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	34,971	33,056	3,074	-	2,136	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>4,351,372</u>	<u>223,064</u>	<u>8,315,043</u>	<u>719,562</u>	<u>-</u>	<u>39,899</u>	<u>-</u>
Revenues over (under) expenditures	(1,765,768)	(9,191)	(1,748,213)	123,501	22,789	200,563	-
<b>Other financing sources (uses)</b>							
Transfers in	1,619,442	-	1,790,220	-	-	-	50,000
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(130,629)	(22,789)	-	-
Total other financing sources (uses)	<u>1,619,442</u>	<u>-</u>	<u>1,790,220</u>	<u>(130,629)</u>	<u>(22,789)</u>	<u>-</u>	<u>50,000</u>
Net change in fund balances	(146,326)	(9,191)	42,007	(7,128)	-	200,563	50,000
Fund balance at beginning of year	218,721	175,916	103,152	119,617	-	356,679	2,050,000
Fund balance at end of year	<u>\$ 72,395</u>	<u>\$ 166,725</u>	<u>\$ 145,159</u>	<u>\$ 112,489</u>	<u>\$ -</u>	<u>\$ 557,242</u>	<u>\$ 2,100,000</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2006

	SPECIAL REVENUE						
	Law Library (2610)	Community Corrections (2640)	Project Cornerstone (2650)	TNT Drug (2671)	Library (2710)	Wagner Peyser (2731)	TAA/NAFTA (2733)
<b>Revenues</b>							
Grants							
State	\$ -	\$ 867,578	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	91,901	-	-	-	-
Federal pass-thru	-	-	-	-	-	285,242	473,077
Local Units	-	-	-	-	-	-	-
Charges for services rendered	236	77,638	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	2,925	-	-	-
Fines and forfeiture	6,500	-	-	-	-	-	-
Investment Income	-	-	-	2,125	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	123	-	-	-
	<u>6,736</u>	<u>945,216</u>	<u>91,901</u>	<u>5,173</u>	<u>-</u>	<u>285,242</u>	<u>473,077</u>
<b>Expenditures</b>							
Current Operations							
Judicial	33,748	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	1,321,376	87,656	9,352	-	-	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	285,242	473,077
Culture	-	-	-	-	52,479	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	4,245	6,920	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>33,748</u>	<u>1,321,376</u>	<u>91,901</u>	<u>16,272</u>	<u>52,479</u>	<u>285,242</u>	<u>473,077</u>
Revenues over (under) expenditures	(27,012)	(376,160)	-	(11,099)	(52,479)	-	-
<b>Other financing sources (uses)</b>							
Transfers in	27,012	376,160	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>27,012</u>	<u>376,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	(11,099)	(52,479)	-	-
Fund balance at beginning of year	-	-	-	72,616	52,479	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2006

	SPECIAL REVENUE						
	Reemployment Services (2738)	MI WECAN (2744)	Regional Skills Alliance (2747)	Economic Development Job Training (2750)	Workfirst (2751)	Food Stamp Program (2759)	WIA Admin Pool (2760)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ 151,540	\$ 695,596	\$ 25	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	31,378	64,911	-	-	3,498,960	1,000	625,519
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	29,260	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>31,378</u>	<u>64,911</u>	<u>29,260</u>	<u>151,540</u>	<u>4,194,556</u>	<u>1,025</u>	<u>625,519</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	31,378	64,911	29,260	151,540	4,194,556	1,025	619,467
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	6,052
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>31,378</u>	<u>64,911</u>	<u>29,260</u>	<u>151,540</u>	<u>4,194,556</u>	<u>1,025</u>	<u>625,519</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2006

	SPECIAL REVENUE						
	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)	Strategic Planning (2765)	WIA Youth Statewide (2766)	WIA Service Center Operations (2767)	Incumbent Worker Program (2768)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	1,184,962	758,843	1,046,528	-	10,180	92,373	5,800
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>1,184,962</u>	<u>758,843</u>	<u>1,046,528</u>	<u>-</u>	<u>10,180</u>	<u>92,373</u>	<u>5,800</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	1,184,962	758,843	1,046,528	-	10,180	92,373	5,800
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>1,184,962</u>	<u>758,843</u>	<u>1,046,528</u>	<u>-</u>	<u>10,180</u>	<u>92,373</u>	<u>5,800</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2006

	SPECIAL REVENUE						
	Reed Act Funds (2769)	Crime Victims' Rights (2800)	Comp Strategy Implementation Grant (2821)	Juv. Account- ability Incentive Block Grant (2831)	Community Gun Violence (2832)	Facility Master Plan (2840)	Revenue Sharing Reserve (2850)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	89,595	165,686	-	30,816	1,741	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	7,045,117
Contributions from private sources	-	250	-	-	-	30,000	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	(249)	-	30,229
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>89,595</u>	<u>165,936</u>	<u>-</u>	<u>30,816</u>	<u>1,492</u>	<u>30,000</u>	<u>7,075,346</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	48,595	-	-	-
General County government	-	-	-	-	-	136,818	-
Public Safety	-	187,806	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	89,595	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>89,595</u>	<u>187,806</u>	<u>-</u>	<u>48,595</u>	<u>-</u>	<u>136,818</u>	<u>-</u>
Revenues over (under) expenditures	-	(21,870)	-	(17,779)	1,492	(106,818)	7,075,346
<b>Other financing sources (uses)</b>							
Transfers in	-	19,269	-	17,779	-	106,818	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	(972)	-	(1,492)	-	(3,156,503)
Total other financing sources (uses)	-	19,269	(972)	17,779	(1,492)	106,818	(3,156,503)
Net change in fund balances	-	(2,601)	(972)	-	-	-	3,918,843
Fund balance at beginning of year	-	3,500	972	-	-	-	3,233,499
Fund balance at end of year	<u>\$ -</u>	<u>\$ 899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,152,342</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2006

	SPECIAL REVENUE						
	EDC Loan Revolving (2860)	Rambusch-Fuchs CDBG Grant (2873)	Downtown Redevelopment Project (2876)	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Trust (2940)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ 89,290	\$ 919,758	\$ 3,179,383	\$ 31,654
Federal	-	-	-	-	-	34,174	-
Federal pass-thru	-	-	474,314	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	10,821	-	263	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	21,646	269,846	-
	<u>10,821</u>	<u>-</u>	<u>474,577</u>	<u>89,290</u>	<u>941,404</u>	<u>3,483,403</u>	<u>31,654</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	39,607	-	474,328	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	950,990	7,035,687	-
Welfare	-	-	-	-	-	-	31,654
Culture	-	-	-	99,414	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>39,607</u>	<u>-</u>	<u>474,328</u>	<u>99,414</u>	<u>950,990</u>	<u>7,035,687</u>	<u>31,654</u>
Revenues over (under) expenditures	(28,786)	-	249	(10,124)	(9,586)	(3,552,284)	-
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	10,124	9,586	3,552,284	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	(7,059)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(7,059)</u>	<u>-</u>	<u>-</u>	<u>10,124</u>	<u>9,586</u>	<u>3,552,284</u>	<u>-</u>
Net change in fund balances	(35,845)	-	249	-	-	-	-
Fund balance at beginning of year	355,845	3,549	-	-	-	-	-
Fund balance at end of year	<u>\$ 320,000</u>	<u>\$ 3,549</u>	<u>\$ 249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2006

	SPECIAL REVENUE			DEBT SERVICE			CAPITAL PROJECTS
	C.E.D.C (2960)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	Halmond Center Debt (3142)/(3143)	Hall of Justice (4130)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	9,185	-	-	-	-
Taxes	-	-	-	1,534,132	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	9,531	1,427	64,215	-	594	-
Rentals	-	283,345	-	-	-	181,556	-
Other	-	6,998	-	-	-	-	-
	<u>-</u>	<u>299,874</u>	<u>10,612</u>	<u>1,598,347</u>	<u>-</u>	<u>182,150</u>	<u>-</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	314	-	5,353	-	250	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	386,862	-	-	-	1,173	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	123	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	775,000	215,000	145,000	-
Interest	-	-	-	579,864	272,989	35,977	-
Other	-	-	-	-	-	-	-
	<u>314</u>	<u>386,862</u>	<u>5,353</u>	<u>1,354,987</u>	<u>488,239</u>	<u>182,150</u>	<u>-</u>
Revenues over (under) expenditures	(314)	(86,988)	5,259	243,360	(488,239)	-	-
<b>Other financing sources (uses)</b>							
Transfers in	314	-	-	-	488,239	-	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>488,239</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(86,988)	5,259	243,360	-	-	-
Fund balance at beginning of year	-	111,201	40,979	1,295,094	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 24,213</u>	<u>\$ 46,238</u>	<u>\$ 1,538,454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2006

	<b>CAPITAL PROJECTS</b>						
	<u>Heritage Landing (4180)</u>	<u>Fruitport/NS Sewer Project (4618)</u>	<u>Muskegon Township Sewer/Water (4640)</u>	<u>Muskegon/ Egelston/Dalton Sewer (4641)</u>	<u>Whitehall Township Water (4645)</u>	<u>Public Improvement (4930)</u>	<u>Capital Improvement (4960)</u>
<b>Revenues</b>							
<b>Grants</b>							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	82,217	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	41,647	41,719	176,134	-	84,151	-
Rentals	-	-	-	-	-	147,715	-
Other	25,375	-	-	-	-	-	-
	<u>25,375</u>	<u>41,647</u>	<u>123,936</u>	<u>176,134</u>	<u>-</u>	<u>231,866</u>	<u>-</u>
<b>Expenditures</b>							
<b>Current Operations</b>							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	125,410	1,709,420	7,591,835	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	391	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	165,180	-
<b>Debt Services</b>							
Principal	-	-	5,000,000	-	-	-	-
Interest	-	-	120,889	230,097	-	-	-
Other	-	-	-	-	-	34,647	-
	<u>391</u>	<u>125,410</u>	<u>6,830,309</u>	<u>7,821,932</u>	<u>-</u>	<u>199,827</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	24,984	(83,763)	(6,706,373)	(7,645,798)	-	32,039	-
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	2,162,355	-
Bond Issuance	-	-	4,571,661	16,008,339	-	-	-
Sale of Assets	-	-	-	-	-	432,260	-
Transfers (out)	-	-	-	-	-	(172,335)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>4,571,661</u>	<u>16,008,339</u>	<u>-</u>	<u>2,422,280</u>	<u>-</u>
<b>Net change in fund balances</b>	24,984	(83,763)	(2,134,712)	8,362,541	-	2,454,319	-
<b>Fund balance at beginning of year</b>	17,130	1,365,159	2,134,712	-	-	2,448,414	338,044
<b>Fund balance at end of year</b>	<u>\$ 42,114</u>	<u>\$ 1,281,396</u>	<u>\$ -</u>	<u>\$ 8,362,541</u>	<u>\$ -</u>	<u>\$ 4,902,733</u>	<u>\$ 338,044</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2006

	CAPITAL PROJECTS		PERMANENT FUNDS		Total All Funds
	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	
<b>Revenues</b>					
Grants					
State	\$ -	\$ -	\$ -	\$ -	\$ 8,434,017
Federal	-	-	-	-	126,075
Federal pass-thru	-	-	-	-	14,242,980
Local Units	-	-	-	-	234,319
Charges for services rendered	-	56,235	-	-	3,663,905
Taxes	-	-	-	-	9,712,694
Contributions from private sources	-	-	-	-	67,500
Fines and forfeiture	-	-	-	-	6,500
Investment Income	-	11,740	582	578	499,018
Rentals	-	-	-	2,637	615,253
Other	-	-	-	-	510,284
	<u>-</u>	<u>67,975</u>	<u>582</u>	<u>3,215</u>	<u>38,112,545</u>
<b>Expenditures</b>					
Current Operations					
Judicial	-	-	-	-	1,192,980
General County government	-	-	466	3,998	5,344,181
Public Safety	-	-	-	-	2,769,525
Health	-	-	-	-	26,083,364
Welfare	-	-	-	-	9,070,391
Culture	-	-	-	-	152,016
Recreation	-	-	-	-	585,204
Capital Outlay	-	-	-	-	1,056,826
Debt Services					
Principal	-	-	-	-	6,135,000
Interest	-	-	-	-	1,239,816
Other	-	127,491	-	-	162,138
	<u>-</u>	<u>127,491</u>	<u>466</u>	<u>3,998</u>	<u>53,791,441</u>
Revenues over (under) expenditures	-	(59,516)	116	(783)	(15,678,896)
Other financing sources (uses)					
Transfers in	-	57,991	-	-	10,958,030
Bond Issuance	-	-	-	-	20,580,000
Sale of Assets	-	-	-	-	432,260
Transfers (out)	-	-	-	-	(3,525,783)
Total other financing sources (uses)	<u>-</u>	<u>57,991</u>	<u>-</u>	<u>-</u>	<u>28,444,507</u>
Net change in fund balances	-	(1,525)	116	(783)	12,765,611
Fund balance at beginning of year	-	400,679	34,885	18,359	15,079,403
Fund balance at end of year	<u>\$ -</u>	<u>\$ 399,154</u>	<u>\$ 35,001</u>	<u>\$ 17,576</u>	<u>\$ 27,845,014</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	Cooperative Reimbursement Prosecutor (1150)			Emergency Services (1190)			Marine Safety (1200)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 77,601	\$ 69,324	(\$ 8,277)	\$ -	\$ -	\$ -	\$ 107,337	\$ 90,887	(\$ 16,450)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	130,250	130,250	-	1,241,838	1,043,911	(197,927)	26,200	26,200	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	500	350	(150)	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>207,851</u>	<u>199,574</u>	<u>(8,277)</u>	<u>1,257,453</u>	<u>1,055,792</u>	<u>(201,661)</u>	<u>133,937</u>	<u>117,531</u>	<u>(16,406)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	310,821	302,398	8,423	-	-	-	-	-	-
Public safety	-	-	-	567,044	507,268	59,776	170,232	152,710	17,522
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>310,821</u>	<u>302,398</u>	<u>8,423</u>	<u>906,130</u>	<u>779,523</u>	<u>126,607</u>	<u>16,997</u>	<u>16,997</u>	<u>-</u>
	<u>310,821</u>	<u>302,398</u>	<u>8,423</u>	<u>1,473,174</u>	<u>1,286,791</u>	<u>186,383</u>	<u>187,229</u>	<u>169,707</u>	<u>17,522</u>
<b>Revenues over (under) expenditures</b>	<b>(102,970)</b>	<b>(102,824)</b>	<b>146</b>	<b>(215,721)</b>	<b>(230,999)</b>	<b>(15,278)</b>	<b>(53,292)</b>	<b>(52,176)</b>	<b>1,116</b>
<b>Other financing sources (uses)</b>									
Transfers in	102,970	102,824	(146)	215,721	230,999	15,278	52,095	50,979	(1,116)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfer s (ou t)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>102,970</u>	<u>102,824</u>	<u>(146)</u>	<u>215,721</u>	<u>230,999</u>	<u>15,278</u>	<u>52,095</u>	<u>50,979</u>	<u>(1,116)</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,197)</b>	<b>(1,197)</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,082</b>	<b>21,082</b>	<b>-</b>	<b>10,217</b>	<b>10,217</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,082</b>	<b>\$ 21,082</b>	<b>\$ -</b>	<b>\$ 9,020</b>	<b>\$ 9,020</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	Highway Safety Programs (1210)			Township Patrols (1240)			Park Fund (2080)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 211,470	\$ 206,462	(\$ 5,008)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	61,108	37,502	(23,606)	-	-	-	-	-	-
Local units	-	-	-	130,072	127,302	(2,770)	-	-	-
Charges for services rendered	-	-	-	-	-	-	615,000	663,966	48,966
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	500	1,545	1,045
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	152	152
	<u>272,578</u>	<u>243,964</u>	<u>(28,614)</u>	<u>130,072</u>	<u>127,302</u>	<u>(2,770)</u>	<u>615,500</u>	<u>665,663</u>	<u>50,163</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	271,578	243,964	27,614	260,144	259,393	751	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	627,835	584,813	43,022
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>	2,000	1,000	1,000	-	-	-	3,672	3,672	-
	<u>273,578</u>	<u>244,964</u>	<u>28,614</u>	<u>260,144</u>	<u>259,393</u>	<u>751</u>	<u>631,507</u>	<u>588,485</u>	<u>43,022</u>
<b>Revenues over (under) expenditures</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>-</b>	<b>(130,072)</b>	<b>(132,091)</b>	<b>(2,019)</b>	<b>(16,007)</b>	<b>77,178</b>	<b>93,185</b>
<b>Other financing sources (uses)</b>									
Transfers in	1,000	1,000	-	130,072	126,896	(3,176)	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	(34,004)	(34,004)	-
<b>Total other financing sources (uses)</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>	<b>130,072</b>	<b>126,896</b>	<b>(3,176)</b>	<b>(34,004)</b>	<b>(34,004)</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,195)</b>	<b>(5,195)</b>	<b>(50,011)</b>	<b>43,174</b>	<b>93,185</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,407</b>	<b>5,407</b>	<b>-</b>	<b>91,496</b>	<b>91,496</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,407</b>	<b>\$ 212</b>	<b>(\$ 5,195)</b>	<b>\$ 41,485</b>	<b>\$ 134,670</b>	<b>\$ 93,185</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	Prosecutor Family Court (2140)			Family Court (2150)			Family Court Re-entry Initiative (2152)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 54,529	\$ 39,831	(\$ 14,698)	\$ 996,602	\$ 754,013	(\$ 242,589)	\$ 280,697	\$ 209,004	(\$ 71,693)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	1,448,129	1,480,207	32,078	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	303,150	287,223	(15,927)	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	5,000	4,869	(131)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	70,000	64,161	(5,839)	-	-	-
	<u>54,529</u>	<u>39,831</u>	<u>(14,698)</u>	<u>2,817,881</u>	<u>2,585,604</u>	<u>(232,277)</u>	<u>285,697</u>	<u>213,873</u>	<u>(71,824)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	1,131,488	1,110,637	20,851	-	-	-
General County government	207,032	197,570	9,462	3,371,219	3,240,735	130,484	238,857	188,093	50,764
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	2,500	-	2,500	41,840	34,971	6,869
	<u>207,032</u>	<u>197,570</u>	<u>9,462</u>	<u>4,505,207</u>	<u>4,351,372</u>	<u>153,835</u>	<u>280,697</u>	<u>223,064</u>	<u>57,633</u>
<b>Revenues over (under) expenditures</b>	<b>(152,503)</b>	<b>(157,739)</b>	<b>(5,236)</b>	<b>(1,687,326)</b>	<b>(1,765,768)</b>	<b>(78,442)</b>	<b>5,000</b>	<b>(9,191)</b>	<b>(14,191)</b>
<b>Other financing sources (uses)</b>									
Transfers in	152,503	157,739	5,236	1,541,000	1,619,442	78,442	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>152,503</u>	<u>157,739</u>	<u>5,236</u>	<u>1,541,000</u>	<u>1,619,442</u>	<u>78,442</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(146,326)</b>	<b>(146,326)</b>	<b>-</b>	<b>5,000</b>	<b>(9,191)</b>	<b>(14,191)</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>218,721</b>	<b>218,721</b>	<b>-</b>	<b>175,916</b>	<b>175,916</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 72,395</b>	<b>\$ 72,395</b>	<b>\$ -</b>	<b>\$ 180,916</b>	<b>\$ 166,725</b>	<b>(\$ 14,191)</b>

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance

Non-Major Governmental Funds

Budget and Actual

For the Year ended September 30, 2006

	Health Department (2210)			Accomodations Tax (2300)			Parks Development (2411)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 940,682	\$ 1,107,272	\$ 166,590	\$ -	\$ -	\$ -	\$ 22,399	\$ 22,400	\$ 1
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	2,021,945	2,683,985	662,040	-	-	-	-	-	-
Local units	24,800	24,800	-	-	-	-	-	-	-
Charges for services rendered	2,372,430	2,343,897	(28,533)	-	-	-	-	-	-
Contributions from private sources	5,500	5,065	(435)	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	549	549	750	872	122	-	389	389
Taxes	206,517	291,254	84,737	779,000	842,191	63,191	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	220,451	110,008	(110,443)	-	-	-	-	-	-
	<u>5,792,325</u>	<u>6,566,830</u>	<u>774,505</u>	<u>779,750</u>	<u>843,063</u>	<u>63,313</u>	<u>22,399</u>	<u>22,789</u>	<u>390</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	705,771	716,488	(10,717)	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	7,549,145	8,281,987	(732,842)	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	33,400	33,056	344	3,074	3,074	-	-	-	-
	<u>7,582,545</u>	<u>8,315,043</u>	<u>(732,498)</u>	<u>708,845</u>	<u>719,562</u>	<u>(10,717)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<b>(1,790,220)</b>	<b>(1,748,213)</b>	<b>42,007</b>	<b>70,905</b>	<b>123,501</b>	<b>52,596</b>	<b>22,399</b>	<b>22,789</b>	<b>390</b>
<b>Other financing sources (uses)</b>									
Transfers in	1,790,220	1,790,220	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(130,629)	(130,629)	-	(22,399)	(22,789)	(390)
Total other financing sources (uses)	<u>1,790,220</u>	<u>1,790,220</u>	<u>-</u>	<u>(130,629)</u>	<u>(130,629)</u>	<u>-</u>	<u>(22,399)</u>	<u>(22,789)</u>	<u>(390)</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>42,007</b>	<b>42,007</b>	<b>(59,724)</b>	<b>(7,128)</b>	<b>52,596</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<u>103,152</u>	<u>103,152</u>	<u>-</u>	<u>119,617</u>	<u>119,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 103,152</u>	<u>\$ 145,159</u>	<u>\$ 42,007</u>	<u>\$ 59,893</u>	<u>\$ 112,489</u>	<u>\$ 52,596</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	Deed Automation Fund (2560)			Budget Stabilization (2570)			Law Library (2610)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	225,000	225,525	525	-	-	-	400	236	(164)
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	6,500	6,500	-
Investment income	12,000	14,937	2,937	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>237,000</u>	<u>240,462</u>	<u>3,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,900</u>	<u>6,736</u>	<u>(164)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	30,593	33,748	(3,155)
General County government	141,971	37,763	104,208	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	7,500	2,136	5,364	-	-	-	-	-	-
	<u>149,471</u>	<u>39,899</u>	<u>109,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,593</u>	<u>33,748</u>	<u>(3,155)</u>
<b>Revenues over (under) expenditures</b>	<b>87,529</b>	<b>200,563</b>	<b>113,034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,693)</b>	<b>(27,012)</b>	<b>(3,319)</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	50,000	50,000	23,693	27,012	3,319
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>50,000</b>	<b>23,693</b>	<b>27,012</b>	<b>3,319</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>87,529</b>	<b>200,563</b>	<b>113,034</b>	<b>-</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>356,679</b>	<b>356,679</b>	<b>-</b>	<b>2,050,000</b>	<b>2,050,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 444,208</b>	<b>\$ 557,242</b>	<b>\$ 113,034</b>	<b>\$ 2,050,000</b>	<b>\$ 2,100,000</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	Community Corrections (2640)			Project Cornerstone (2650)			TNT Drug (2671)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 991,234	\$ 867,578	(\$ 123,656)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	92,167	91,901	(266)	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	96,500	77,638	(18,862)	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	1,500	2,925	1,425
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	2,000	2,125	125
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	61	123	62
	<u>1,087,734</u>	<u>945,216</u>	<u>(142,518)</u>	<u>92,167</u>	<u>91,901</u>	<u>(266)</u>	<u>3,561</u>	<u>5,173</u>	<u>1,612</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	1,447,425	1,321,376	126,049	85,691	87,656	(1,965)	18,655	9,352	9,303
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	6,476	4,245	2,231	5,400	6,920	(1,520)
	<u>1,447,425</u>	<u>1,321,376</u>	<u>126,049</u>	<u>92,167</u>	<u>91,901</u>	<u>266</u>	<u>24,055</u>	<u>16,272</u>	<u>7,783</u>
Revenues over (under) expenditures	(359,691)	(376,160)	(16,469)	-	-	-	(20,494)	(11,099)	9,395
<b>Other financing sources (uses)</b>									
Transfers in	359,691	376,160	16,469	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>359,691</u>	<u>376,160</u>	<u>16,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	(20,494)	(11,099)	9,395
Fund balance at beginning of year	-	-	-	-	-	-	72,616	72,616	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,122</u>	<u>\$ 61,517</u>	<u>\$ 9,395</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	Library (2710)			Wagner Peyser (2731)			TAA/NAFTA (2733)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	452,983	285,242	(167,741)	225,460	473,077	247,617
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>452,983</u>	<u>285,242</u>	<u>(167,741)</u>	<u>225,460</u>	<u>473,077</u>	<u>247,617</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	452,983	285,242	167,741	225,460	473,077	(247,617)
Culture	-	52,479	(52,479)	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>-</u>	<u>52,479</u>	<u>(52,479)</u>	<u>452,983</u>	<u>285,242</u>	<u>167,741</u>	<u>225,460</u>	<u>473,077</u>	<u>(247,617)</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>(52,479)</u>	<u>(52,479)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>-</u>	<u>(52,479)</u>	<u>(52,479)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at beginning of year</b>	<u>52,479</u>	<u>52,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 52,479</u>	<u>\$ -</u>	<u>(\$ 52,479)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	Reemployment Services (2738)			MI WECAN (2744)			Regional Skills Alliance (2747)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	40,177	31,378	(8,799)	65,000	64,911	(89)	50,286	-	(50,286)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	37,714	29,260	(8,454)
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>40,177</u>	<u>31,378</u>	<u>(8,799)</u>	<u>65,000</u>	<u>64,911</u>	<u>(89)</u>	<u>88,000</u>	<u>29,260</u>	<u>(58,740)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	40,177	31,378	8,799	65,000	64,911	89	88,000	29,260	58,740
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>40,177</u>	<u>31,378</u>	<u>8,799</u>	<u>65,000</u>	<u>64,911</u>	<u>89</u>	<u>88,000</u>	<u>29,260</u>	<u>58,740</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	Economic Development Job Training (2750)			Workfirst (2751)			Food Stamp Program (2759)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 350,000	\$ 151,540	(\$ 198,460)	\$ 666,479	\$ 695,596	\$ 29,117	\$ 1,574	\$ 25	(\$ 1,549)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	3,291,098	3,498,960	207,862	146,190	1,000	(145,190)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>350,000</u>	<u>151,540</u>	<u>(198,460)</u>	<u>3,957,577</u>	<u>4,194,556</u>	<u>236,979</u>	<u>147,764</u>	<u>1,025</u>	<u>(146,739)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	350,000	151,540	198,460	3,957,577	4,194,556	(236,979)	147,764	1,025	146,739
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>350,000</u>	<u>151,540</u>	<u>198,460</u>	<u>3,957,577</u>	<u>4,194,556</u>	<u>(236,979)</u>	<u>147,764</u>	<u>1,025</u>	<u>146,739</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	WIA Admin Pool (2760)			WIA Adult Program (2761)			WIA Youth Programs (2762)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	446,244	625,519	179,275	1,211,350	1,184,962	(26,388)	1,031,901	758,843	(273,058)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>446,244</u>	<u>625,519</u>	<u>179,275</u>	<u>1,211,350</u>	<u>1,184,962</u>	<u>(26,388)</u>	<u>1,031,901</u>	<u>758,843</u>	<u>(273,058)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	374,840	619,467	(244,627)	1,211,350	1,184,962	26,388	1,031,901	758,843	273,058
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>	<u>71,404</u>	<u>6,052</u>	<u>65,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>446,244</u>	<u>625,519</u>	<u>(179,275)</u>	<u>1,211,350</u>	<u>1,184,962</u>	<u>26,388</u>	<u>1,031,901</u>	<u>758,843</u>	<u>273,058</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2006

	WIA Dislocated Wkr Program (2763)			Strategic Planning (2765)			WIA Youth Statewide (2766)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	1,440,668	1,046,528	(394,140)	-	-	-	13,396	10,180	(3,216)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,440,668</u>	<u>1,046,528</u>	<u>(394,140)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,396</u>	<u>10,180</u>	<u>(3,216)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	1,440,668	1,046,528	394,140	-	-	-	13,396	10,180	3,216
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay									
	<u>1,440,668</u>	<u>1,046,528</u>	<u>394,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,396</u>	<u>10,180</u>	<u>3,216</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	WIA Service Center Operations (2767)			Incumbent Worker Program (2768)			Reed Act Funds (2769)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	75,819	92,373	16,554	56,017	5,800	(50,217)	228,701	89,595	(139,106)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>75,819</u>	<u>92,373</u>	<u>16,554</u>	<u>56,017</u>	<u>5,800</u>	<u>(50,217)</u>	<u>228,701</u>	<u>89,595</u>	<u>(139,106)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	75,819	92,373	(16,554)	56,017	5,800	50,217	228,701	89,595	139,106
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>75,819</u>	<u>92,373</u>	<u>(16,554)</u>	<u>56,017</u>	<u>5,800</u>	<u>50,217</u>	<u>228,701</u>	<u>89,595</u>	<u>139,106</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance**

**Non-Major Governmental Funds**

**Budget and Actual**

**For the Year ended September 30, 2006**

	Crime Victims' Rights (2800)			Com p Strategy I m plem entat ion G rant (2821)			Juv. Accountability Incentive Block Grant (2831)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	173,983	165,686	(8,297)	-	-	-	23,586	30,816	7,230
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	552	250	(302)	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>174,535</u>	<u>165,936</u>	<u>(8,599)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,586</u>	<u>30,816</u>	<u>7,230</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	49,146	48,595	551
General County government	-	-	-	-	-	-	-	-	-
Public safety	188,594	187,806	788	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>188,594</u>	<u>187,806</u>	<u>788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,146</u>	<u>48,595</u>	<u>551</u>
<b>Revenues over (under) expenditures</b>	<b>(14,059)</b>	<b>(21,870)</b>	<b>(7,811)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,560)</b>	<b>(17,779)</b>	<b>7,781</b>
<b>Other financing sources (uses)</b>									
Transfers in	14,059	19,269	5,210	-	-	-	25,560	17,779	(7,781)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(972)	(972)	-	-	-	-
Total other financing sources (uses)	<u>14,059</u>	<u>19,269</u>	<u>5,210</u>	<u>(972)</u>	<u>(972)</u>	<u>-</u>	<u>25,560</u>	<u>17,779</u>	<u>(7,781)</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>(2,601)</b>	<b>(2,601)</b>	<b>(972)</b>	<b>(972)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>972</u>	<u>972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 3,500</u>	<u>\$ 899</u>	<u>(\$ 2,601)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	Community Gun Violence (2832)			Facility Master Plan (2840)			Revenue Sharing Reserve (2850)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	1,741	1,741	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	30,000	30,000	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	(250)	(249)	1	-	-	-	30,000	30,229	229
Taxes	-	-	-	-	-	-	7,045,117	7,045,117	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,491</u>	<u>1,492</u>	<u>1</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>7,075,117</u>	<u>7,075,346</u>	<u>229</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	89,625	136,818	(47,193)	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,625</u>	<u>136,818</u>	<u>(47,193)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<b>1,491</b>	<b>1,492</b>	<b>1</b>	<b>(59,625)</b>	<b>(106,818)</b>	<b>(47,193)</b>	<b>7,075,117</b>	<b>7,075,346</b>	<b>229</b>
<b>Other financing sources (uses)</b>									
Transfers in	(1,491)	-	1,491	59,625	106,818	47,193	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	(1,492)	(1,492)	-	-	-	(3,156,503)	(3,156,503)	-
<b>Total other financing sources (uses)</b>	<b>(1,491)</b>	<b>(1,492)</b>	<b>(1)</b>	<b>59,625</b>	<b>106,818</b>	<b>47,193</b>	<b>(3,156,503)</b>	<b>(3,156,503)</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,918,614</b>	<b>3,918,843</b>	<b>229</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,233,499</b>	<b>3,233,499</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,152,113</b>	<b>\$ 7,152,342</b>	<b>\$ 229</b>

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance

Non-Major Governmental Funds

Budget and Actual

For the Year ended September 30, 2006

	EDC Loan Revolving (2860)			Rambusch-Fuchs CDBG Grant (2873)			Downtown Redevelopment Project (2876)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	1,500,000	474,314	(1,025,686)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	9,000	10,821	1,821	-	-	-	263	263	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>9,000</u>	<u>10,821</u>	<u>1,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,263</u>	<u>474,577</u>	<u>(1,025,686)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	35,736	39,607	(3,871)	-	-	-	15	474,328	(474,313)
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>35,736</u>	<u>39,607</u>	<u>(3,871)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,248</u>	<u>-</u>	<u>1,500,248</u>
	<u>35,736</u>	<u>39,607</u>	<u>(3,871)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,263</u>	<u>474,328</u>	<u>1,025,935</u>
<b>Revenues over (under) expenditures</b>	<b>(26,736)</b>	<b>(28,786)</b>	<b>(2,050)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>249</b>	<b>249</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	(7,059)	(7,059)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(7,059)</b>	<b>(7,059)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(26,736)</b>	<b>(35,845)</b>	<b>(9,109)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>249</b>	<b>249</b>
<b>Fund balance at beginning of year</b>	<b>355,845</b>	<b>355,845</b>	<b>-</b>	<b>3,549</b>	<b>3,549</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 329,109</b>	<b>\$ 320,000</b>	<b>(\$ 9,109)</b>	<b>\$ 3,549</b>	<b>\$ 3,549</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 249</b>	<b>\$ 249</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	Remonumentation Program (2890)			Social Welfare (2910)			Child Care Facility (2920)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 119,567	\$ 89,290	(\$ 30,277)	\$ 950,000	\$ 919,758	(\$ 30,242)	\$ 3,565,498	\$ 3,179,383	(\$ 386,115)
Federal	-	-	-	-	-	-	31,400	34,174	2,774
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>119,567</u>	<u>89,290</u>	<u>(30,277)</u>	<u>980,000</u>	<u>941,404</u>	<u>(38,596)</u>	<u>3,864,438</u>	<u>3,483,403</u>	<u>(381,035)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	990,596	950,990	39,606	7,684,726	7,035,687	649,039
Welfare	-	-	-	-	-	-	-	-	-
Culture	127,567	99,414	28,153	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay									
	<u>127,567</u>	<u>99,414</u>	<u>28,153</u>	<u>990,596</u>	<u>950,990</u>	<u>39,606</u>	<u>7,684,726</u>	<u>7,035,687</u>	<u>649,039</u>
<b>Revenues over (under) expenditures</b>	<b>(8,000)</b>	<b>(10,124)</b>	<b>(2,124)</b>	<b>(10,596)</b>	<b>(9,586)</b>	<b>1,010</b>	<b>(3,820,288)</b>	<b>(3,552,284)</b>	<b>268,004</b>
<b>Other financing sources (uses)</b>									
Transfers in	8,000	10,124	2,124	10,596	9,586	(1,010)	3,820,288	3,552,284	(268,004)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>8,000</u>	<u>10,124</u>	<u>2,124</u>	<u>10,596</u>	<u>9,586</u>	<u>(1,010)</u>	<u>3,820,288</u>	<u>3,552,284</u>	<u>(268,004)</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	Veterans Trust (2940)			C.E.D.C (2960)			Mental Health Buildings (2970)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 26,129	\$ 31,654	\$ 5,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	9,000	9,531	531
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	283,345	283,345	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	6,998	6,998	-
	<u>26,129</u>	<u>31,654</u>	<u>5,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,343</u>	<u>299,874</u>	<u>531</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	2,500	314	2,186	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	383,603	386,862	(3,259)
Welfare	26,129	31,654	(5,525)	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>26,129</u>	<u>31,654</u>	<u>(5,525)</u>	<u>2,500</u>	<u>314</u>	<u>2,186</u>	<u>383,603</u>	<u>386,862</u>	<u>(3,259)</u>
Revenues over (under) expenditures	-	-	-	(2,500)	(314)	2,186	(84,260)	(86,988)	(2,728)
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	2,500	314	(2,186)	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	2,500	314	(2,186)	-	-	-
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	(84,260)	(86,988)	(2,728)
Fund balance at beginning of year	-	-	-	-	-	-	111,201	111,201	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,941</u>	<u>\$ 24,213</u>	<u>(\$ 2,728)</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2006**

	Victim Restitution (2980)			Quality of Life (3111)			Hall of Justice Debt (3130)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	8,000	9,185	1,185	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	1,300	1,427	127	50,000	64,215	14,215	-	-	-
Taxes	-	-	-	1,535,000	1,534,132	(868)	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>9,300</u>	<u>10,612</u>	<u>1,312</u>	<u>1,585,000</u>	<u>1,598,347</u>	<u>13,347</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	7,000	5,353	1,647	-	-	-	250	250	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	450	123	327	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	775,000	775,000	-	215,000	215,000	-
Interest	-	-	-	579,864	579,864	-	272,989	272,989	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>7,000</u>	<u>5,353</u>	<u>1,647</u>	<u>1,355,314</u>	<u>1,354,987</u>	<u>327</u>	<u>488,239</u>	<u>488,239</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<b>2,300</b>	<b>5,259</b>	<b>2,959</b>	<b>229,686</b>	<b>243,360</b>	<b>13,674</b>	<b>(488,239)</b>	<b>(488,239)</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	488,239	488,239	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>488,239</b>	<b>488,239</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>2,300</b>	<b>5,259</b>	<b>2,959</b>	<b>229,686</b>	<b>243,360</b>	<b>13,674</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>40,979</b>	<b>40,979</b>	<b>-</b>	<b>1,295,094</b>	<b>1,295,094</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 43,279</b>	<b>\$ 46,238</b>	<b>\$ 2,959</b>	<b>\$ 1,524,780</b>	<b>\$ 1,538,454</b>	<b>\$ 13,674</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance**

**Non-Major Governmental Funds**

**Budget and Actual**

**For the Year ended September 30, 2006**

**Halmond Center Debt  
(3142)/(3143)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
<b>Grants</b>			
State	\$ -	\$ -	\$ -
Federal	-	-	-
Federal pass-thru	-	-	-
Local units	-	-	-
Charges for services rendered	-	-	-
Contributions from private sources	-	-	-
Fines and forfeitures	-	-	-
Investment income	600	594	(6)
Taxes	-	-	-
Rentals	181,550	181,556	6
Special assessments	-	-	-
Other	-	-	-
	<u>182,150</u>	<u>182,150</u>	<u>-</u>
<b>Expenditures</b>			
<b>Current operations</b>			
Judicial	-	-	-
General County government	-	-	-
Public safety	-	-	-
Health	1,173	1,173	-
Welfare	-	-	-
Culture	-	-	-
Recreation	-	-	-
<b>Debt Services</b>			
Principal	145,000	145,000	-
Interest	35,977	35,977	-
Other	-	-	-
Capital outlay	-	-	-
	<u>182,150</u>	<u>182,150</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	-	-	-
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Sale of Assets	-	-	-
Bond Issuance	-	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**County of Muskegon**

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*

*Major Governmental Fund - Water and Sewer Debt*

*Year Ended September 30, 2006*

	<b>Water and Sewer Debt - 3650</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Difference (+/-)</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Operating grants and contributions	-	-	-	-
Charges for services	11,800	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	30,300	1,500	1,605	105
Rentals	-	-	-	-
Special assessments	325,000	744,937	250,000	(494,937)
Contributions from private sources	-	-	-	-
Other	409	75	75	-
Total revenues	<u>367,509</u>	<u>746,512</u>	<u>251,680</u>	<u>(494,832)</u>
<b>Expenditures</b>				
<b>Current operations</b>				
Legislative	-	-	-	-
Judicial	-	-	-	-
General County government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture	-	-	-	-
Recreation	-	-	-	-
Other	4,123	3,942	343,401	(339,459)
Capital outlay	-	-	-	-
<b>Debt service</b>				
Principal payments	325,000	325,000	325,000	-
Interest	-	419,937	1,913	418,024
Other	320	425	-	425
Total expenditures	<u>329,443</u>	<u>749,304</u>	<u>670,314</u>	<u>78,990</u>
Revenues over (under) expenditures	<u>38,066</u>	<u>(2,792)</u>	<u>(418,634)</u>	<u>(415,842)</u>
<b>Other financing sources (uses)</b>				
Sales of Capital Assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>38,066</u>	<u>(2,792)</u>	<u>(418,634)</u>	<u>(415,842)</u>
Fund balance at beginning of year	465,533	465,533	465,533	-
Fund balance at end of year	<u>\$ 503,599</u>	<u>\$ 462,741</u>	<u>\$ 46,899</u>	<u>(\$ 415,842)</u>

## NON-MAJOR PROPRIETARY FUNDS

Fairgrounds Operations (5083)--to account for building and maintaining the county fairgrounds and horse training track. Funds are provided by the renting of horse stalls.

Delinquent Tax Revolving Funds (5100, 5110, 5163,5164,5165)--to account for monies borrowed in anticipation of delinquent taxes being collected. The purpose of these funds is to pay each local unit, including the county's General Fund, the respective amount of taxes that are not collected as of March 1 of each year.

Fly Ash Program (5711)--to record the revenues received from, and the expenses made for, the disposal of fly ash. Monies for the operation of this fund are provided by charges to Consumers Power and Sappi for services.

Muskegon Area Transit System (5880)--the Muskegon Area Transit System provides public transportation with ten regular routes and two special routes. The sources of funds are the Michigan Department of Transportation (paying 35% of the operating costs), the Urban Mass Transportation Administration (paying 50% of the operating costs), and the local contributions (paying 15% of the operating costs).

Muskegon Trolley Company (5890)--provides local transportation for tourists and special events within the County. All funds are local in nature.

Northside Water (5910)--established for the connections and continued maintenance and operation of a water system for the townships of Dalton, Laketon, and Muskegon.

*County of Muskegon*

*Other Non-Major Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2006*

ASSETS	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2003 Delinquent Tax Revolving (5163)	2004 Delinquent Tax Revolving (5164)
<b>CURRENT ASSETS</b>					
Cash and cash investments	\$ 190,444	\$ -	\$ -	\$ -	\$ 805,326
Investments	1,079,182	-	-	-	4,563,511
Accounts receivable	-	-	356,023	-	11,571
Intergovernmental receivable	-	-	-	-	-
Accrued interest receivable	13,304	1	1,702	-	103,389
Current portion of delinquent taxes receivable	-	500,815	-	-	1,292,537
Current portion of interest and penalties receivable on delinquent taxes	-	-	-	-	297,283
Prepaid expenses	70,168	-	-	-	-
Inventories	-	-	-	-	-
Restricted assets	-	-	-	-	-
Total current assets	<u>1,353,098</u>	<u>500,816</u>	<u>357,725</u>	<u>-</u>	<u>7,073,617</u>
<b>NONCURRENT ASSETS</b>					
Property and Equipment - at cost					
Land	-	-	-	-	-
Land improvements	676,091	-	-	-	-
Buildings	1,857,953	-	-	-	-
Machinery and equipment	92,041	-	-	-	-
Construction in progress	-	-	-	-	-
Total Property and Equipment	<u>2,626,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less accumulated depreciation	<u>(1,067,567)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Property and Equipment - net	<u>1,558,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ADVANCES TO OTHER FUNDS	-	-	-	-	1,342,728
DELINQUENT TAXES RECEIVABLE	-	-	-	-	379,282
INTEREST AND PENALTIES RECEIVABLE ON DELINQUENT TAXES	-	-	-	-	99,095
TOTAL ASSETS	<u>\$ 2,911,616</u>	<u>\$ 500,816</u>	<u>\$ 357,725</u>	<u>\$ -</u>	<u>\$ 8,894,722</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2006*

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2003 Delinquent Tax Revolving (5163)	2004 Delinquent Tax Revolving (5164)
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 8,050	\$ -	\$ 1,208	\$ -	\$ -
Accrued liabilities	15,141	-	-	-	20,000
Current portion of long term debt	200,000	-	-	-	1,500,000
<b>Total current liabilities</b>	<b>223,191</b>	<b>-</b>	<b>1,208</b>	<b>-</b>	<b>1,520,000</b>
<b>NONCURRENT LIABILITIES</b>					
Tax anticipation notes payable	-	-	-	-	-
Due to other funds	-	234,408	5,903	-	-
Long term debt	375,000	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>375,000</b>	<b>234,408</b>	<b>5,903</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>598,191</b>	<b>234,408</b>	<b>7,111</b>	<b>-</b>	<b>1,520,000</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	983,518	-	-	-	-
Unreserved	1,329,907	266,408	350,614	-	7,374,722
<b>TOTAL NET ASSETS</b>	<b>\$ 2,313,425</b>	<b>\$ 266,408</b>	<b>\$ 350,614</b>	<b>\$ -</b>	<b>\$ 7,374,722</b>

*County of Muskegon*

*Other Non-Major Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2006*

	2005 Delinquent Tax Revolving (5165)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash investments	\$ 394,697	\$ 195,911	\$ 28,506	\$ 5,805	\$ 89,175	\$ 2,511,864
Investments	2,236,614	1,110,160	\$ 161,531	\$ 32,909	\$ 5,049,990	\$ 14,233,897
Accounts receivable	-	-	41,650	-	275,736	684,980
Intergovernmental receivable	-	-	340,142	-	361,998	702,140
Accrued interest receivable	7,084	16,845	161	436	40,846	183,768
Current portion of delinquent taxes receivable	3,118,891	-	-	-	-	4,912,243
Current portion of interest and penalties receivable on delinquent taxes	343,078	-	-	-	-	640,361
Prepaid expenses	-	-	-	-	-	70,168
Inventories	-	-	-	-	-	-
Restricted assets	-	124,511	-	-	-	124,511
<b>Total current assets</b>	<b>6,100,364</b>	<b>1,447,427</b>	<b>571,990</b>	<b>39,150</b>	<b>6,619,745</b>	<b>24,063,932</b>
<b>NONCURRENT ASSETS</b>						
<b>Property and Equipment - at cost</b>						
Land	-	-	199,487	-	-	199,487
Land improvements	-	-	-	-	-	676,091
Buildings	-	210,273	5,799,390	-	-	7,867,616
Machinery and equipment	-	67,387	5,203,703	45,000	-	5,408,131
Construction in progress	-	-	-	-	4,576,049	4,576,049
<b>Total Property and Equipment</b>	<b>-</b>	<b>277,660</b>	<b>11,202,580</b>	<b>45,000</b>	<b>4,576,049</b>	<b>18,727,374</b>
Less accumulated depreciation	-	(138,563)	(5,419,964)	(10,125)	-	(6,636,219)
<b>Property and Equipment - net</b>	<b>-</b>	<b>139,097</b>	<b>5,782,616</b>	<b>34,875</b>	<b>4,576,049</b>	<b>12,091,155</b>
<b>ADVANCES TO OTHER FUNDS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,342,728</b>
<b>DELINQUENT TAXES RECEIVABLE</b>	<b>3,790,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,169,381</b>
<b>INTEREST AND PENALTIES RECEIVABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ON DELINQUENT TAXES</b>	<b>419,318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>518,413</b>
<b>TOTAL ASSETS</b>	<b>\$ 10,309,781</b>	<b>\$ 1,586,524</b>	<b>\$ 6,354,606</b>	<b>\$ 74,025</b>	<b>\$ 11,195,794</b>	<b>\$ 42,185,609</b>

*County of Muskegon*

*Other Non-Major Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2006*

	2005 Delinquent Tax Revolving (5165)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 55,269	\$ -	\$ 1,920,654	\$ 1,985,181
Accrued liabilities	176,917	5,865	303,955	455	61,952	584,285
Current portion of long term debt	7,500,000	-	-	-	-	9,200,000
<b>Total current liabilities</b>	<u>7,676,917</u>	<u>5,865</u>	<u>359,224</u>	<u>455</u>	<u>1,982,606</u>	<u>11,769,466</u>
<b>NONCURRENT LIABILITIES</b>						
Tax anticipation notes payable	1,500,000	-	-	-	-	1,500,000
Due to other funds	-	-	-	-	-	240,311
Long term debt	-	-	-	-	7,900,000	8,275,000
<b>Total noncurrent liabilities</b>	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,900,000</u>	<u>10,015,311</u>
<b>TOTAL LIABILITIES</b>	<u>9,176,917</u>	<u>5,865</u>	<u>359,224</u>	<u>455</u>	<u>9,882,606</u>	<u>21,784,777</u>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	-	139,097	5,782,616	34,875	(3,323,951)	3,616,155
Unreserved	1,132,864	1,441,562	212,766	38,695	4,637,139	16,784,677
<b>TOTAL NET ASSETS</b>	<u>\$ 1,132,864</u>	<u>\$ 1,580,659</u>	<u>\$ 5,995,382</u>	<u>\$ 73,570</u>	<u>\$ 1,313,188</u>	<u>\$ 20,400,832</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

*Statement of Revenues, Expenses*

*and Changes in Fund Net Assets*

*For the Year ended September 30, 2006*

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2003 Delinquent Tax Revolving (5163)	2004 Delinquent Tax Revolving (5164)
<b>Operating revenues</b>					
Charges for services	\$ 119,152	\$ -	\$ 526,069	\$ -	\$ -
Interest and penalties on delinquent taxes	-	126,177	-	-	656,573
Other	32,830	-	-	-	-
	<u>151,982</u>	<u>126,177</u>	<u>526,069</u>	<u>-</u>	<u>656,573</u>
<b>Operating expenses</b>					
Salaries and fringe benefits	18,747	-	-	-	-
Supplies and other operating expenses	63,621	2,320	185,601	-	12,818
Interest expense	-	-	-	-	279,722
Depreciation and amortization	63,511	-	-	-	-
	<u>145,879</u>	<u>2,320</u>	<u>185,601</u>	<u>-</u>	<u>292,540</u>
<b>Operating income (loss)</b>	<b>6,103</b>	<b>123,857</b>	<b>340,468</b>	<b>-</b>	<b>364,033</b>
<b>Non-Operating revenues (expenses)</b>					
Operating subsidies	-	-	-	-	-
Interest income	35,481	-	3,362	-	290,222
Interest expense	(62,521)	-	-	-	-
Other (net)	-	-	-	-	-
	<u>(27,040)</u>	<u>-</u>	<u>3,362</u>	<u>-</u>	<u>290,222</u>
<b>Income (loss) before contributions and transfers</b>	<b>(20,937)</b>	<b>123,857</b>	<b>343,830</b>	<b>-</b>	<b>654,255</b>
<b>Capital contributions</b>					
Transfers in	225,937	-	-	-	6,877,741
Transfers (out)	-	-	-	(6,853,707)	(1,337,084)
	<u>225,937</u>	<u>-</u>	<u>-</u>	<u>(6,853,707)</u>	<u>5,540,657</u>
<b>NET INCOME (LOSS)</b>	<b>205,000</b>	<b>123,857</b>	<b>343,830</b>	<b>(6,853,707)</b>	<b>6,194,912</b>
<b>Net Assets at beginning of year</b>	<b>2,108,425</b>	<b>142,551</b>	<b>6,784</b>	<b>6,853,707</b>	<b>1,179,810</b>
<b>Net Assets at end of year</b>	<b>\$ 2,313,425</b>	<b>\$ 266,408</b>	<b>\$ 350,614</b>	<b>\$ -</b>	<b>\$ 7,374,722</b>

**County of Muskegon**

**Other Non-Major Proprietary Funds**

**Statement of Revenues, Expenses**

**and Changes in Fund Net Assets**

**For the Year ended September 30, 2006**

	2005 Delinquent Tax Revolving (5165)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>Operating revenues</b>						
Charges for services	\$ -	\$ -	\$ 339,029	\$ 20,953	\$ 1,175,672	\$ 2,180,875
Interest and penalties on delinquent taxes	1,316,154	-	-	-	-	2,098,904
Other	-	-	4,900	86	8,227	46,043
	<u>1,316,154</u>	<u>-</u>	<u>343,929</u>	<u>21,039</u>	<u>1,183,899</u>	<u>4,325,822</u>
<b>Operating expenses</b>						
Salaries and fringe benefits	-	60,747	1,881,542	1,243	149,117	2,111,396
Supplies and other operating expenses	17,896	26,483	969,125	3,164	1,451,684	2,732,712
Interest expense	175,367	-	-	-	-	455,089
Depreciation and amortization	-	7,146	532,916	4,500	-	608,073
	<u>193,263</u>	<u>94,376</u>	<u>3,383,583</u>	<u>8,907</u>	<u>1,600,801</u>	<u>5,907,270</u>
<b>Operating income (loss)</b>	<b>1,122,891</b>	<b>(94,376)</b>	<b>(3,039,654)</b>	<b>12,132</b>	<b>(416,902)</b>	<b>(1,581,448)</b>
<b>Non-Operating revenues (expenses)</b>						
Operating subsidies	-	-	2,457,244	-	479,818	2,937,062
Interest income	9,973	43,285	722	1,056	102,132	486,233
Interest expense	-	-	-	-	(126,451)	(188,972)
Other (net)	-	-	-	-	-	-
	<u>9,973</u>	<u>43,285</u>	<u>2,457,966</u>	<u>1,056</u>	<u>455,499</u>	<u>3,234,323</u>
<b>Income (loss) before contributions and transfers</b>	<b>1,132,864</b>	<b>(51,091)</b>	<b>(581,688)</b>	<b>13,188</b>	<b>38,597</b>	<b>1,652,875</b>
Capital contributions	-	-	51,910	-	-	51,910
Transfers in	-	-	-	-	7,059	7,110,737
Transfers (out)	-	-	-	-	(352,240)	(8,543,031)
	<u>-</u>	<u>-</u>	<u>51,910</u>	<u>-</u>	<u>(345,181)</u>	<u>(1,380,384)</u>
<b>NET INCOME (LOSS)</b>	<b>1,132,864</b>	<b>(51,091)</b>	<b>(529,778)</b>	<b>13,188</b>	<b>(306,584)</b>	<b>272,491</b>
Net Assets at beginning of year	-	1,631,750	6,525,160	60,382	1,619,772	20,128,341
Net Assets at end of year	<u>\$ 1,132,864</u>	<u>\$ 1,580,659</u>	<u>\$ 5,995,382</u>	<u>\$ 73,570</u>	<u>\$ 1,313,188</u>	<u>\$ 20,400,832</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS**

*For the Year ended September 30, 2006*

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2003 Delinquent Tax Revolving (5163)	2004 Delinquent Tax Revolving (5164)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 137,752	\$ 126,177	\$ 256,553	\$ 11,095	\$ 645,002
Cash Payments to Suppliers of Goods and Services	(36,607)	(2,320)	(260,959)	-	(12,818)
Cash Payments to Employees for Services	(18,747)	-	-	-	-
Note Proceeds	-	-	-	-	-
Tax collections	-	-	-	-	-
Delinquent tax payments to municipalities	-	-	-	-	-
Interest paid	-	-	-	(15,000)	(309,500)
Other receipts (payments)	32,830	-	-	-	-
Net cash provided by (used for) Operating Activities	<u>115,228</u>	<u>123,857</u>	<u>(4,406)</u>	<u>(3,905)</u>	<u>322,684</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Tax collections	-	(320,265)	-	2,170,635	4,815,870
Note payments	-	-	-	(1,500,000)	(7,500,000)
Long Term Advance to other funds	-	-	-	-	(1,342,728)
Operating Subsidi es and Grants	-	-	-	-	-
Transfers to other funds	-	-	-	(6,853,707)	(1,337,084)
Transfers from other funds	225,937	-	-	-	6,877,741
Advances from (to) other funds	-	196,402	2,538	-	-
Net cash provided by (used for) noncapital financing activities	<u>225,937</u>	<u>(123,863)</u>	<u>2,538</u>	<u>(6,183,072)</u>	<u>1,513,799</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Bond Issuance	-	-	-	-	-
Principal payments on long term debt	(205,000)	-	-	-	-
Capital contributions	-	-	-	-	-
Interest payments on long term debt	(67,774)	-	-	-	-
Purchase of capital assets	-	-	-	-	-
Construction in progress	-	-	-	-	-
Operating Subsidi es	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(272,774)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

*For the Year ended September 30, 2006*

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2003 Delinquent Tax Revolving (5163)	2004 Delinquent Tax Revolving (5164)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	404,529	-	-	4,154,198	921,278
Purchase of investments	(875,000)	-	-	(977,459)	(3,750,000)
Interest received from investment pool	30,637	6	1,868	77,864	196,222
Net cash provided by investing activities	<u>(439,834)</u>	<u>6</u>	<u>1,868</u>	<u>3,254,603</u>	<u>(2,632,500)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
	(371,443)	-	-	(2,932,374)	(796,017)
Cash and cash equivalents, September 30, 2005	<u>561,887</u>	<u>-</u>	<u>-</u>	<u>2,932,374</u>	<u>1,601,343</u>
Cash and cash equivalents, September 30, 2006	<u><u>\$ 190,444</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 805,326</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	<u>\$ 6,103</u>	<u>\$ 123,857</u>	<u>\$ 340,468</u>	<u>\$ -</u>	<u>\$ 364,033</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	63,511	-	-	-	-
<b>Changes in Assets and Liabilities:</b>					
(Increase) decrease in accounts receivable	18,600	-	(269,516)	-	(11,571)
Increase (decrease) in accounts payable	7,430	-	(75,358)	11,095	-
Increase (decrease) in inventories	-	-	-	-	-
(Increase) decrease in prepaid expenses	19,584	-	-	-	-
(Increase) decrease in restricted assets	-	-	-	-	-
Increase (decrease) in due to other funds	-	-	-	-	-
Increase (decrease) in accruals	-	-	-	(15,000)	(29,778)
Total Adjustments	<u>109,125</u>	<u>-</u>	<u>(344,874)</u>	<u>(3,905)</u>	<u>(41,349)</u>
Net cash provided by (used for) operations	<u><u>\$ 115,228</u></u>	<u><u>\$ 123,857</u></u>	<u><u>(\$ 4,406)</u></u>	<u><u>(\$ 3,905)</u></u>	<u><u>\$ 322,684</u></u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS**

*For the Year ended September 30, 2006*

	2005 Delinquent Tax Revolving (5165)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers	\$ 1,316,154	\$ -	\$ 331,542	\$ 20,953	\$ 929,750	\$ 3,774,978
Cash Payments to Suppliers of Goods and Services	(17,896)	(30,379)	(1,558,639)	(3,164)	358,930	(1,563,852)
Cash Payments to Employees for Services	-	(64,067)	(1,805,671)	(894)	(146,764)	(2,036,143)
Note Proceeds	9,000,000	-	-	-	-	9,000,000
Tax collections	5,499,498	-	-	-	-	5,499,498
Delinquent tax payments to municipalities	(14,499,498)	-	-	-	-	(14,499,498)
Interest paid	-	-	-	-	-	(324,500)
Other receipts (payments)	-	-	4,900	86	8,227	46,043
Net cash provided by (used for) Operating Activities	<u>1,298,258</u>	<u>(94,446)</u>	<u>(3,027,868)</u>	<u>16,981</u>	<u>1,150,143</u>	<u>(103,474)</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Tax collections	1,330,164	-	-	-	-	7,996,404
Note payments	-	-	-	-	-	(9,000,000)
Long Term Advance to other funds	-	-	-	-	-	(1,342,728)
Operating Subsidies and Grants	-	-	3,216,841	-	165,158	3,381,999
Transfers to other funds	-	-	-	-	(352,240)	(8,543,031)
Transfers from other funds	-	-	-	-	7,059	7,110,737
Advances from (to) other funds	-	-	-	-	-	198,940
Net cash provided by (used for) noncapital financing activities	<u>1,330,164</u>	<u>-</u>	<u>3,216,841</u>	<u>-</u>	<u>(180,023)</u>	<u>(197,679)</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Bond Issuance	-	-	-	-	7,900,000	7,900,000
Principal payments on long term debt	-	-	-	-	-	(205,000)
Capital contributions	-	-	51,910	-	-	51,910
Interest payments on long term debt	-	-	-	-	(71,460)	(139,234)
Purchase of capital assets	-	-	(51,910)	-	-	(51,910)
Construction in progress	-	-	-	-	(4,576,049)	(4,576,049)
Operating Subsidies	-	-	-	-	314,660	314,660
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,567,151</u>	<u>3,294,377</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

*For the Year ended September 30, 2006*

	2005					
	Delinquent Tax Revolving (5165)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Proceeds from sales and maturities of investments	-	535,181	-	4,946	-	6,020,132
Purchase of investments	(2,236,614)	(937,500)	(161,531)	(26,945)	(4,353,616)	(13,318,665)
Interest received from investment pool	2,889	39,285	1,064	753	74,962	425,550
Net cash provided by investing activities	<u>(2,233,725)</u>	<u>(363,034)</u>	<u>(160,467)</u>	<u>(21,246)</u>	<u>(4,278,654)</u>	<u>(6,872,983)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>						
	394,697	(457,480)	28,506	(4,265)	258,617	(3,879,759)
Cash and cash equivalents, September 30, 2005	-	653,391	-	10,070	632,558	6,391,623
Cash and cash equivalents, September 30, 2006	<u>\$ 394,697</u>	<u>\$ 195,911</u>	<u>\$ 28,506</u>	<u>\$ 5,805</u>	<u>\$ 891,175</u>	<u>\$ 2,511,864</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>						
Operating income (loss)	<u>\$ 1,122,891</u>	<u>(\$ 94,376)</u>	<u>(\$ 3,039,654)</u>	<u>\$ 12,132</u>	<u>(\$ 416,902)</u>	<u>(\$ 1,581,448)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	-	7,146	532,916	4,500	-	608,073
<b>Changes in Assets and Liabilities:</b>						
(Increase) decrease in accounts receivable	-	-	(7,487)	-	(245,922)	(515,896)
Increase (decrease) in accounts payable	-	-	8,320	-	1,810,614	1,762,101
Increase (decrease) in inventories	-	516	-	-	-	516
(Increase) decrease in prepaid expenses	-	-	-	-	-	19,584
(Increase) decrease in restricted assets	-	(4,412)	-	-	-	(4,412)
Increase (decrease) in due to other funds	-	-	(597,834)	-	-	(597,834)
Increase (decrease) in accruals	175,367	(3,320)	75,871	349	2,353	205,842
Total Adjustments	<u>175,367</u>	<u>(70)</u>	<u>11,786</u>	<u>4,849</u>	<u>1,567,045</u>	<u>1,477,974</u>
Net cash provided by (used for) operations	<u>\$ 1,298,258</u>	<u>(\$ 94,446)</u>	<u>(\$ 3,027,868)</u>	<u>\$ 16,981</u>	<u>\$ 1,150,143</u>	<u>(\$ 103,474)</u>

## INTERNAL SERVICE FUNDS

Central Stores (6330)--to account for the general county printing services which provides all common offices with necessary support.

County South Campus (6340)--to account for the operations and maintenance of county buildings clustered in a one block area. This fund is self-sustaining with the revenues generated to be used for maintaining the buildings.

Equipment Revolving (6660)--to account for revenues collected on equipment leased to user departments of the county. The fund is self-sustaining with the revenues generated to be used for replacement of broken and outdated equipment.

Insurance (6770)--to account for revenues collected from user departments for the payment of insurance premiums and claims. The county is self-insured for workers' compensation, unemployment insurance, health insurance, dental insurance and collision on auto fleet insurance.

CMH ISF Risk (6772)--to cover the potential risk of actual expenses associated with the delivery of behavioral health and developmental disabilities services to the Medicaid and uninsured population exceeding a contractual funding level.

*County of Muskegon*

*Internal Service Funds  
Combining Balance Sheet*

*September 30, 2006*

ASSETS	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 23,944	\$ 6,767	\$ 157,491	\$ 1,687,101	\$ 336,215	\$ 2,211,518
Investments	135,681	\$ 38,348	\$ 807,448	\$ 9,645,239	\$ 1,905,221	\$ 12,531,937
Accounts receivable	9,831	-	8,214	4,637	-	22,682
Accrued interest receivable	731	-	11,108	142,356	6,307	160,502
Total current assets	<u>170,187</u>	<u>45,115</u>	<u>984,261</u>	<u>11,479,333</u>	<u>2,247,743</u>	<u>14,926,639</u>
<b>NONCURRENT ASSETS</b>						
Long-term note receivable	-	-	4,240,406	200,000	-	4,440,406
Long-term advance to other funds	-	-	-	1,059,645	-	1,059,645
<b>Property and Equipment - at cost</b>						
Land	-	-	444,908	-	-	444,908
Buildings	-	-	1,610,998	-	-	1,610,998
Machinery and equipment	-	-	10,128,381	-	-	10,128,381
Construction in progress	-	-	657,215	-	-	657,215
Total Property and Equipment	-	-	<u>12,841,502</u>	-	-	<u>12,841,502</u>
Less accumulated depreciation	-	-	<u>(8,371,763)</u>	-	-	<u>(8,371,763)</u>
Total Property and Equipment - net	-	-	<u>4,469,739</u>	-	-	<u>4,469,739</u>
<b>TOTAL ASSETS</b>	<u>\$ 170,187</u>	<u>\$ 45,115</u>	<u>\$ 9,694,406</u>	<u>\$ 12,738,978</u>	<u>\$ 2,247,743</u>	<u>\$ 24,896,429</u>

*County of Muskegon*

*Internal Service Funds  
Combining Balance Sheet*

*September 30, 2006*

LIABILITIES AND NET ASSETS	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 12,255	\$ 41,416	\$ 85,507	\$ 424,353	\$ -	\$ 563,531
Current portion of long term debt	-	-	1,576,435	-	-	1,576,435
Accrued liabilities	57,391	3,699	28,678	5,494,157	-	5,583,925
Total current liabilities	<u>69,646</u>	<u>45,115</u>	<u>1,690,620</u>	<u>5,918,510</u>	<u>-</u>	<u>7,723,891</u>
<b>NONCURRENT LIABILITIES</b>						
Land Contract Payable	-	-	64,478	-	-	64,478
Long-term Debt	-	-	3,922,273	-	-	3,922,273
Long-term advances from other funds	-	-	603,859	-	-	603,859
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>4,590,610</u>	<u>-</u>	<u>-</u>	<u>4,590,610</u>
<b>TOTAL LIABILITIES</b>	<u>69,646</u>	<u>45,115</u>	<u>6,281,230</u>	<u>5,918,510</u>	<u>-</u>	<u>12,314,501</u>
<b>NET ASSETS</b>						
Invested in capital assets - net of related debt	-	-	3,413,176	-	-	3,413,176
Unreserved	100,541	-	-	6,820,468	2,247,743	9,168,752
<b>TOTAL NET ASSETS</b>	<u>\$ 100,541</u>	<u>\$ -</u>	<u>\$ 3,413,176</u>	<u>\$ 6,820,468</u>	<u>\$ 2,247,743</u>	<u>\$ 12,581,928</u>

*County of Muskegon*

*Internal Service Funds*

*Combining Statement of Revenues, Expenses  
and Changes in fund Net Assets*

*Year ended September 30, 2006*

	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>Operating revenues</b>						
Premiums	\$ -	\$ -	\$ -	\$ 15,185,746	\$ -	\$ 15,185,746
Rents	-	702,229	1,182,522	-	-	1,884,751
Other	678,500	-	696,475	1,238,420	-	2,613,395
	<u>678,500</u>	<u>702,229</u>	<u>1,878,997</u>	<u>16,424,166</u>	<u>-</u>	<u>19,683,892</u>
<b>Operating expenses</b>						
Salaries and fringes	202,180	158,641	-	1,441,832	-	1,802,653
Supplies and other operating expenses	519,907	537,442	557,145	152,827	-	1,767,321
Insurance benefits and claims	-	-	-	605,121	240,474	845,595
Insurance premiums	-	6,146	98	13,537,242	-	13,543,486
Interest expense	-	-	181,143	-	-	181,143
Depreciation	-	-	1,097,274	-	-	1,097,274
	<u>722,087</u>	<u>702,229</u>	<u>1,835,660</u>	<u>15,737,022</u>	<u>240,474</u>	<u>19,237,472</u>
<b>Operating income (loss)</b>	(43,587)	-	43,337	687,144	(240,474)	446,420
<b>Non-Operating revenues (expenses)</b>						
Investment income	2,146	-	27,975	373,321	79,281	482,723
Other	-	-	18,029	-	-	18,029
	<u>2,146</u>	<u>-</u>	<u>46,004</u>	<u>373,321</u>	<u>79,281</u>	<u>500,752</u>
<b>NET INCOME (LOSS)</b>	(41,441)	-	89,341	1,060,465	(161,193)	947,172
Net Assets at beginning of year	141,982	-	3,323,835	5,760,003	2,408,936	11,634,756
Net Assets at end of year	<u>\$ 100,541</u>	<u>\$ -</u>	<u>\$ 3,413,176</u>	<u>\$ 6,820,468</u>	<u>\$ 2,247,743</u>	<u>\$ 12,581,928</u>

County of Muskegon

Governmental Activities Internal Service Funds

Statement of Cash Flows

For the Year ended September 30, 2006

	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers/Other Funds	\$ 677,604	\$ 702,229	\$ 1,870,862	\$ 16,420,029	\$ -	\$ 19,670,724
Cash Payments to Suppliers of Goods and Services	(528,542)	(530,009)	(741,864)	(14,704,571)	(240,474)	(16,745,460)
Cash Payments to Employees for Services	(192,605)	(158,674)	-	(1,441,832)	-	(1,793,111)
Net cash provided by (used for) Operating Activities	<u>(43,543)</u>	<u>13,546</u>	<u>1,128,998</u>	<u>273,626</u>	<u>(240,474)</u>	<u>1,132,153</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances to other funds	-	-	(34,661)	-	-	(34,661)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(34,661)</u>	<u>-</u>	<u>-</u>	<u>(34,661)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal payments on long term debt	-	-	(1,256,636)	-	-	(1,256,636)
Note Issuance	-	-	2,200,000	-	-	2,200,000
Principal received (paid) on long term advances	-	-	(2,272,376)	76,292	-	(2,196,084)
Sales of Assets	-	-	18,029	-	-	18,029
Purchase of capital assets	-	-	(679,523)	-	-	(679,523)
Construction in Progress	-	-	(320,449)	-	-	(320,449)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(2,310,955)</u>	<u>76,292</u>	<u>-</u>	<u>(2,234,663)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Payments received on Note receivable	-	-	1,044,979	-	-	1,044,979
Proceeds from sales and maturities of investments	93,678	40,568	457,964	3,770,686	903,876	5,266,772
Purchase of investments	(125,000)	(62,500)	(687,500)	(7,875,000)	(1,562,500)	(10,312,500)
Interest received from investment pool	2,478	-	25,208	326,797	95,729	450,212
Net cash provided by investing activities	<u>(28,844)</u>	<u>(21,932)</u>	<u>840,651</u>	<u>(3,777,517)</u>	<u>(562,895)</u>	<u>(3,550,537)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>						
	(72,387)	(8,386)	(375,967)	(3,427,599)	(803,369)	(4,687,708)
Cash and cash equivalents, September 30, 2005	<u>96,331</u>	<u>15,153</u>	<u>533,458</u>	<u>5,114,700</u>	<u>1,139,584</u>	<u>6,899,226</u>
Cash and cash equivalents, September 30, 2006	<u>\$ 23,944</u>	<u>\$ 6,767</u>	<u>\$ 157,491</u>	<u>\$ 1,687,101</u>	<u>\$ 336,215</u>	<u>\$ 2,211,518</u>

This Statement covers more than one page.

County of Muskegon

Governmental Activities Internal Service Funds  
Statement of Cash Flows - continued  
For the Year ended September 30, 2006

	Central Stores (6330)	South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>						
Operating income (loss)	(\$ 43,587)	\$ -	\$ 43,337	\$ 687,144	(\$ 240,474)	\$ 446,420
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	-	-	1,097,274	-	-	1,097,274
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	(896)	-	(8,135)	(4,137)	-	(13,168)
Increase (decrease) in accounts payable	(8,635)	13,579	3,161	17,979	-	26,084
Increase (decrease) in accrued liabilities	9,575	(33)	(6,639)	(427,360)	-	(424,457)
Total Adjustments	44	13,546	1,085,661	(413,518)	-	685,733
Net cash provided by (used for) operations	(\$ 43,543)	\$ 13,546	\$ 1,128,998	\$ 273,626	(\$ 240,474)	\$ 1,132,153

This Statement covers more than one page.

## AGENCY FUNDS

Agency (7010)--to hold monies for later distribution to other agencies or persons. Specifically, District Court holds ordinance fines and costs, appearance bonds, garnishments and restitutions. The Treasurer holds accounts including tax reverted lands, swamp land tax, payments in lieu of taxes and current real and personal property taxes. The administrative area hold Social Security payments, retirement payments, state-withheld income taxes and other payroll deductions.

Library Penal Fines (7210)--to account for monies received from District Court fines, in accordance with state statute (Section 4851 of Act 236 of the Public Acts of 1961), which are allocated annually for operations of the county's libraries.

Central Dispatch (7708)--to account for monies received from state and local grants, as well as assessments on participating municipalities for the operation and updating of the public safety communications services.

District Library (7810)--to account for monies received from federal, state and local grants for the operation of a county-wide district library.

Labor Management Program (7910)--to account for monies received from various employers who provide funding for this program, the purpose of which is to improve productivity and the quality of work life by assisting in the establishment of good labor-management relationships.

CMH Client Funds (7930)--to account for monies held in trust for clients of the county community mental health department.

Muskegon Veterans Affairs (7940)--to account for monies received for the operation of a veteran's center.

Orchard View (7982)--to account for monies received from the state for employment of economically disadvantaged youths.

County of Muskegon

Agency Funds  
**COMBINING BALANCE SHEET**  
 September 30, 2006

	Agency Funds							Totals	
	Agency (7010)	Library Penal Fines (7210)	Central Dispatch (7708)	District Library (7810)	Labor Management Program (7910)	CMH Client Funds (7930)	Muskegon Veterans Affairs (7940)		Orchard View (7982)
<b>ASSETS</b>									
Cash and cash investments	\$ 14,206,123	\$ 143,365	\$ 5,724,898	\$ -	\$ 65,613	\$ 232,872	\$ 53,570	\$ 32,659	\$ 20,459,100
Accounts receivable	214,819	-	226,318	44,054	-	-	-	-	485,191
Accrued interest receivable	-	4,200	35,562	625	682	-	1,104	412	42,585
	<u>\$ 14,420,942</u>	<u>\$ 147,565</u>	<u>\$ 5,986,778</u>	<u>\$ 44,679</u>	<u>\$ 66,295</u>	<u>\$ 232,872</u>	<u>\$ 54,674</u>	<u>\$ 33,071</u>	<u>\$ 20,986,876</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 13,210	\$ -	\$ 23,432	\$ -	\$ 8,328	\$ 893	\$ 1,730	\$ -	\$ 47,593
Intergovernmental payable	879,161	-	3,013,308	9,674	-	-	-	-	3,902,143
Undistributed current and delinquent taxes	11,001,077	-	-	-	-	-	-	-	11,001,077
Trust deposits	2,316,125	-	-	-	-	-	-	-	2,316,125
Accrued liabilities	-	-	52,761	35,005	642	-	-	-	88,408
Unallocated receipts	187,723	147,565	2,897,277	-	57,325	231,979	52,944	33,071	3,607,884
Fines and Fees due to local municipalities and libraries	23,646	-	-	-	-	-	-	-	23,646
	<u>\$ 14,420,942</u>	<u>\$ 147,565</u>	<u>\$ 5,986,778</u>	<u>\$ 44,679</u>	<u>\$ 66,295</u>	<u>\$ 232,872</u>	<u>\$ 54,674</u>	<u>\$ 33,071</u>	<u>\$ 20,986,876</u>

*County of Muskegon*

*Agency Funds*

**COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES**

*For the Year ended September 30, 2006*

	<u>Balance Oct. 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2006</u>
<b>Trust and Agency (7010)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 10,315,501	\$ 112,591,714	\$ 108,701,092	\$ 14,206,123
Accounts receivable	458,725	503,886	747,792	214,819
	<u>\$ 10,774,226</u>	<u>\$ 113,095,600</u>	<u>\$ 109,448,884</u>	<u>\$ 14,420,942</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,581	\$ 60,064,612	\$ 60,053,983	\$ 13,210
Intergovernmental payable	725,490	7,977,709	7,824,038	879,161
Undistributed current and delinquent taxes	7,815,629	80,844,443	77,658,995	11,001,077
Fines and fees due to local municipalities and libraries	28,055	333,598	338,007	23,646
Trust deposits	2,168,039	21,922,889	21,774,803	2,316,125
Unallocated receipts	34,432	10,608,076	10,454,785	187,723
	<u>\$ 10,774,226</u>	<u>\$ 181,751,327</u>	<u>\$ 178,104,611</u>	<u>\$ 14,420,942</u>
<b>Library Penal Fines (7210)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 150,867	\$ 592,770	\$ 600,272	\$ 143,365
Accrued interest receivable	2,976	10,949	9,725	4,200
	<u>\$ 153,843</u>	<u>\$ 603,719</u>	<u>\$ 609,997</u>	<u>\$ 147,565</u>
<b>LIABILITIES</b>				
Unallocated receipts	\$ 153,843	\$ 784,051	\$ 790,329	\$ 147,565
	<u>\$ 153,843</u>	<u>\$ 784,051</u>	<u>\$ 790,329</u>	<u>\$ 147,565</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2006

	Balance Oct. 1, 2005	Additions	Deductions	Balance Sept. 30, 2006
<b>Central Dispatch (7708)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 4,253,762	\$ 8,097,794	\$ 6,626,658	\$ 5,724,898
Accounts receivable	97,519	1,367,946	1,239,147	226,318
Accrued interest receivable	20,816	88,239	73,493	35,562
	<u>\$ 4,372,097</u>	<u>\$ 9,553,979</u>	<u>\$ 7,939,298</u>	<u>\$ 5,986,778</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 16,590	\$ 771,926	\$ 765,084	\$ 23,432
Intergovernmental payable	1,886,899	4,400,000	3,273,591	3,013,308
Accrued liabilities	41,375	132,819	121,433	52,761
Unallocated receipts	2,427,233	3,649,387	3,179,343	2,897,277
	<u>\$ 4,372,097</u>	<u>\$ 8,954,132</u>	<u>\$ 7,339,451</u>	<u>\$ 5,986,778</u>
<b>District Library (7810)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ -	\$ 1,253,207	\$ 1,253,207	\$ -
Accounts receivable	-	56,960	12,906	44,054
Accrued interest receivable	-	2,706	2,081	625
	<u>\$ -</u>	<u>\$ 1,312,873</u>	<u>\$ 1,268,194</u>	<u>\$ 44,679</u>
<b>LIABILITIES</b>				
Intergovernmental payable	-	9,674	-	9,674
Accrued liabilities	-	41,568	6,563	35,005
	<u>\$ -</u>	<u>\$ 51,242</u>	<u>\$ 6,563</u>	<u>\$ 44,679</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2006

	Balance Oct. 1, 2005	Additions	Deductions	Balance Sept. 30, 2006
<b>Labor Management Program (7910)</b>				
ASSETS				
Cash and cash investments	\$ 58,207	\$ 86,098	\$ 78,692	\$ 65,613
Accrued interest receivable	486	1,732	1,536	682
	<u>\$ 58,693</u>	<u>\$ 87,830</u>	<u>\$ 80,228</u>	<u>\$ 66,295</u>
Accounts payable	\$ 2,828	\$ 66,090	\$ 60,590	\$ 8,328
Accrued liabilities	880	642	880	642
Unallocated receipts	54,985	86,271	83,931	57,325
	<u>\$ 58,693</u>	<u>\$ 153,003</u>	<u>\$ 145,401</u>	<u>\$ 66,295</u>
<b>CMH Client Funds (7930)</b>				
ASSETS				
Cash and cash investments	\$ -	\$ 2,003,421	\$ 1,770,549	\$ 232,872
Accrued interest receivable	-	3,373	3,373	-
	<u>\$ -</u>	<u>\$ 2,006,794</u>	<u>\$ 1,773,922</u>	<u>\$ 232,872</u>
Accounts payable	\$ -	\$ 1,616,602	\$ 1,615,709	\$ 893
Unallocated receipts	-	2,007,322	1,775,343	231,979
	<u>\$ -</u>	<u>\$ 3,623,924</u>	<u>\$ 3,391,052</u>	<u>\$ 232,872</u>
<b>Muskegon Veterans Affairs (7940)</b>				
ASSETS				
Cash and cash investments	\$ 28,176	\$ 320,147	\$ 294,753	\$ 53,570
Accrued interest receivable	541	2,321	1,758	1,104
	<u>\$ 28,717</u>	<u>\$ 322,468</u>	<u>\$ 296,511</u>	<u>\$ 54,674</u>
LIABILITIES				
Accounts payable	\$ 3,673	\$ 249,201	\$ 251,144	\$ 1,730
Unallocated receipts	25,044	315,509	287,609	52,944
	<u>\$ 28,717</u>	<u>\$ 564,710</u>	<u>\$ 538,753</u>	<u>\$ 54,674</u>
<b>Orchard View (7982)</b>				
ASSETS				
Cash and cash investments	\$ 31,952	\$ 932	\$ 225	\$ 32,659
Accrued interest receivable	291	1,053	932	412
	<u>\$ 32,243</u>	<u>\$ 1,985</u>	<u>\$ 1,157</u>	<u>\$ 33,071</u>
LIABILITIES				
Unallocated receipts	\$ 32,243	\$ 1,053	\$ 225	\$ 33,071

*County of Muskegon*

*Agency Funds*

**COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued**

*For the Year ended September 30, 2006*

	<u>Balance Oct. 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2006</u>
<b>TOTALS - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 14,838,465	\$ 124,946,083	\$ 119,325,448	\$ 20,459,100
Accounts receivable	556,244	1,928,792	1,999,845	485,191
Accrued interest receivable	25,110	110,373	92,898	42,585
	<u>\$ 15,419,819</u>	<u>\$ 126,985,248</u>	<u>\$ 121,418,191</u>	<u>\$ 20,986,876</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 25,672	\$ 62,768,431	\$ 62,746,510	\$ 47,593
Accrued liabilities	42,255	143,135	122,313	88,408
Undistributed current and delinquent taxes	7,815,629	80,844,443	77,658,995	11,001,077
Intergovernmental payable	2,612,389	12,419,277	11,104,192	3,902,143
Fines and fees due to local municipalities and libraries	28,055	333,598	338,007	23,646
Trust deposits	2,168,039	21,922,889	21,774,803	2,316,125
Unallocated receipts	2,727,780	17,451,669	16,571,565	3,607,884
	<u>\$ 15,419,819</u>	<u>\$ 195,883,442</u>	<u>\$ 190,316,385</u>	<u>\$ 20,986,876</u>

## STATISTICAL SECTION

This part of the County of Muskegon’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Financial Trends 168

These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time

Revenue Capacity 177

These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.

Debt Capacity 181

These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.

Demographic and Economic Information 186

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County financial activities take place.

Operating Information 188

These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.

Source: Unless otherwise stated, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**County of Muskegon**  
**NET ASSETS BY COMPONENT**  
**Last Seven Fiscal Years**  
**(Accrual basis of Accounting)**  
**(amounts express in thousands)**  
(Unaudited)

<u>Fiscal Year</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Governmental Activities							
Invested in capital assets, net of related debt	\$41,018	\$39,164	\$42,253	\$42,415	\$41,674	\$38,030	\$38,744
Restricted	18,876	21,604	16,160	7,444	10,581	9,288	3,915
Unrestricted	<u>20,075</u>	<u>484</u>	<u>2,172</u>	<u>743</u>	<u>(1,415)</u>	<u>7,798</u>	<u>9,037</u>
Total governmental activities net assets	<u>\$79,969</u>	<u>\$61,252</u>	<u>\$60,585</u>	<u>\$50,602</u>	<u>\$50,840</u>	<u>\$55,116</u>	<u>\$51,696</u>
Business-type activities							
Invested in capital assets, net of related debt	\$91,214	\$85,437	\$84,950	\$83,729	\$74,190	\$84,257	\$76,541
Restricted	2,594	3,464	1,917	3,670	8,947	9,443	4,146
Unrestricted	<u>18,720</u>	<u>23,576</u>	<u>24,873</u>	<u>23,261</u>	<u>28,903</u>	<u>3,437</u>	<u>15,101</u>
Total business-type activities net assets	<u>\$112,528</u>	<u>\$112,477</u>	<u>\$111,740</u>	<u>\$110,660</u>	<u>\$112,040</u>	<u>\$97,137</u>	<u>\$95,788</u>
<u>Primary government</u>							
Invested in capital assets, net of related debt	\$132,232	\$124,601	\$127,203	\$126,144	\$115,864	\$122,287	\$115,285
Restricted	21,470	25,068	18,077	11,114	19,528	18,731	8,061
Unrestricted	<u>38,795</u>	<u>24,060</u>	<u>27,045</u>	<u>24,004</u>	<u>27,488</u>	<u>11,235</u>	<u>24,138</u>
Total primary government net assets	<u>\$192,497</u>	<u>\$173,729</u>	<u>\$172,325</u>	<u>\$161,262</u>	<u>\$162,880</u>	<u>\$152,253</u>	<u>\$147,484</u>

**County of Muskegon**  
**CHANGES IN NET ASSETS**  
*Last Six Fiscal Years*  
*(accrual basis of accounting)*  
*(amounts expressed in thousands)*  
(Unaudited)

	Fiscal Year					
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Expenses</b>						
Governmental Activities						
Judicial	\$8,173	\$7,801	\$7,704	\$7,463	\$7,031	\$6,387
General County Government	20,971	22,972	20,814	19,442	19,840	19,216
Public Safety	13,219	12,923	12,619	11,844	10,804	10,707
Health	109,598	103,897	103,018	112,286	89,691	105,304
Welfare	9,178	7,668	8,507	8,855	7,745	7,197
Other	2,983	3,247	3,279	3,378	3,185	3,075
Debt Service expenses	<u>1,242</u>	<u>1,162</u>	<u>1,114</u>	<u>1,185</u>	<u>1,127</u>	<u>1,013</u>
Total Governmental Activity Expenses	<u>165,364</u>	<u>159,670</u>	<u>157,055</u>	<u>164,453</u>	<u>139,423</u>	<u>152,899</u>
Business-Type Activities						
Solid Waste	3,526	794	3,988	3,267	1,194	1,196
Airport	2,474	2,764	2,131	2,763	2,685	2,408
Wastewater	15,023	15,155	14,604	14,418	13,559	14,725
Other Proprietary Funds	<u>6,096</u>	<u>4,686</u>	<u>4,305</u>	<u>4,544</u>	<u>5,327</u>	<u>3,374</u>
Total Business-Type Activities	<u>27,119</u>	<u>23,399</u>	<u>25,028</u>	<u>24,992</u>	<u>22,765</u>	<u>21,703</u>
Total Primary Government Expenses	<u>\$192,483</u>	<u>\$183,069</u>	<u>\$182,083</u>	<u>\$189,445</u>	<u>\$162,188</u>	<u>\$174,602</u>

# County of Muskegon

## CHANGES IN NET ASSETS

Last Six Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	Fiscal Year					
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Program Revenues</b>						
Governmental Activities						
Charges for Services						
Judicial	\$2,949	\$2,919	\$2,929	\$2,507	\$2,469	\$2,456
General County Government	6,086	6,425	7,213	7,324	6,082	6,515
Public Safety	730	842	1,034	1,698	543	1,210
Health	72,247	74,835	78,776	85,638	66,121	82,372
Other Activities	1,408	1,738	1,047	36	1,095	1,006
Operating Grants and Contributions	33,518	30,783	33,629	32,283	33,340	30,573
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>800</u>	<u>1,488</u>	<u>1,003</u>
Total Governmental Program Activities Revenues	<u>116,938</u>	<u>117,542</u>	<u>124,628</u>	<u>130,286</u>	<u>111,138</u>	<u>125,135</u>
Business-Type Activities						
Charges for Services						
Wastewater	12,640	12,281	12,796	10,656	11,102	10,326
Other	7,618	6,521	4,401	6,362	5,824	4,788
Operating Grants and Contributions	2,982	2,828	4,904	2,416	2,371	1,991
Capital Grants and Contributions	<u>2,323</u>	<u>2,380</u>	<u>3,201</u>	<u>3,348</u>	<u>8,429</u>	<u>3,029</u>
Total Business-Type Activities Program Revenues	<u>25,563</u>	<u>24,010</u>	<u>25,302</u>	<u>22,782</u>	<u>27,726</u>	<u>20,134</u>
Total Primary Government Program Revenues	<u>142,501</u>	<u>141,552</u>	<u>149,930</u>	<u>153,068</u>	<u>138,864</u>	<u>145,269</u>
<b>Net (expense)/revenue</b>						
Governmental Activities	(48,426)	(42,128)	(32,427)	(34,167)	(28,285)	(27,764)

# County of Muskegon

## CHANGES IN NET ASSETS

Last Six Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	Fiscal Year					
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Business-Type Activities	(1,556)	611	274	(2,210)	4,961	(1,569)
Total Primary Government net expense	<u>(\$49,982)</u>	<u>(\$41,517)</u>	<u>(\$32,153)</u>	<u>(\$36,377)</u>	<u>(\$23,324)</u>	<u>(\$29,333)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental Activities						
Property Taxes	\$35,076	\$31,294	\$24,227	\$23,196	\$22,013	\$20,769
Investment Earnings	2,158	1,149	759	927	753	3,219
Other	<u>29,908</u>	<u>10,352</u>	<u>8,219</u>	<u>9,807</u>	<u>6,839</u>	<u>7,196</u>
Total Governmental Activities	<u>67,142</u>	<u>42,795</u>	<u>33,205</u>	<u>33,930</u>	<u>29,605</u>	<u>31,184</u>
Business-Type Activities						
Investment Earnings	1,260	958	586	875	1,505	1,719
Other	<u>348</u>	<u>(833)</u>	<u>(191)</u>	<u>(44)</u>	<u>2,374</u>	<u>1,199</u>
Total Business-Type Activities	<u>1,608</u>	<u>125</u>	<u>395</u>	<u>831</u>	<u>3,879</u>	<u>2,918</u>
Total Primary Government	<u>\$68,750</u>	<u>\$42,920</u>	<u>\$33,600</u>	<u>\$34,761</u>	<u>\$33,484</u>	<u>\$34,102</u>
<b>Change in Net Assets</b>						
Governmental Activities	\$18,716	\$667	\$778	(\$237)	\$1,320	\$3,420
Business-Type Activities	<u>52</u>	<u>736</u>	<u>669</u>	<u>(1,379)</u>	<u>8,840</u>	<u>1,349</u>
Total Primary Government	<u>\$18,768</u>	<u>\$1,403</u>	<u>\$1,447</u>	<u>(\$1,616)</u>	<u>\$10,160</u>	<u>\$4,769</u>

# County of Muskegon

## FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts express in thousands)

(Unaudited)

	Fiscal Year									
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
General fund										
Reserved	\$589	\$589	\$589	\$589	\$1,305	\$1,305	\$1,305	\$1,305	\$619	\$619
Unreserved	<u>7,511</u>	<u>7,260</u>	<u>6,897</u>	<u>6,588</u>	<u>5,873</u>	<u>5,632</u>	<u>4,684</u>	<u>4,367</u>	<u>4,230</u>	<u>3,260</u>
Total General fund	<u>\$8,100</u>	<u>\$7,849</u>	<u>\$7,486</u>	<u>\$7,177</u>	<u>\$7,178</u>	<u>\$6,937</u>	<u>\$5,989</u>	<u>\$5,672</u>	<u>\$4,849</u>	<u>\$3,879</u>
All other governmental funds										
Reserved	\$1,317	\$1,453	\$933	\$800	\$800	\$800	\$901	\$946	\$832	\$819
Unreserved, reported in:										
Special revenue funds	12,405	8,219 <sup>(1)</sup>	4,271	3,908	4,319	3,434	2,482	2,286	2,630	2,270
Debt Service	1,585	1,761	1,541	1,713	1,799	1,723	3,756	3,701	3,641	3,244
Capital projects funds <sup>(2)</sup>	14,026	5,404	3,451	3,201	5,085	4,684	1,892	3,089	1,803	6,886
Permanent funds	<u>53</u>	<u>53</u>	<u>54</u>	<u>59</u>	<u>67</u>	<u>75</u>	<u>82</u>	<u>87</u>	<u>93</u>	<u>96</u>
Total all other governmental funds	<u>\$29,386</u>	<u>\$16,890</u>	<u>\$10,250</u>	<u>\$9,681</u>	<u>\$12,070</u>	<u>\$10,716</u>	<u>\$9,113</u>	<u>\$10,109</u>	<u>\$8,999</u>	<u>\$13,315</u>

(1) Special revenue funds increased due to the State stopping State revenue sharing and moving property tax collection to July 1<sup>st</sup> and treating future amounts collected as reserved

(2) Capital projects reserves change significantly when new bonds are issued and when projects are completed

**County of Muskegon**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

*Last Ten Fiscal Years*

*(modified accrual basis of accounting)*

*(amounts express in thousands)*

(Unaudited)

	Fiscal Year									
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<b>Revenues</b>										
Taxes	\$35,076	\$31,294	\$24,226	\$23,196	\$22,013	\$20,769	\$19,694	\$18,691	\$17,210	\$17,313
Operating grants and contributions	33,518	30,783	33,629	32,283	33,478	31,576	31,462	27,991	37,396	30,296
Charges for services	83,420	84,748	89,003	95,231	74,926	90,546	55,306	54,243	43,644	49,293
Other	<u>8,627</u>	<u>9,284</u>	<u>8,105</u>	<u>9,119</u>	<u>8,624</u>	<u>8,952</u>	<u>8,998</u>	<u>8,161</u>	<u>8,219</u>	<u>6,105</u>
Total Revenues	<u>160,641</u>	<u>156,109</u>	<u>154,963</u>	<u>159,829</u>	<u>139,041</u>	<u>151,843</u>	<u>115,460</u>	<u>109,086</u>	<u>106,469</u>	<u>103,007</u>
<b>Expenditures</b>										
Judicial	8,136	7,758	7,663	7,420	6,990	6,326	5,164	4,560	5,801	5,739
General County Government	17,786	17,143	17,158	16,496	15,298	12,570	15,302	13,944	12,753	11,103
Public Safety	13,016	12,712	12,379	11,570	10,596	10,448	9,668	9,270	9,853	8,556
Health	109,301	100,254	101,563	110,357	89,440	103,256	69,386	66,466	64,347	63,160
Welfare	9,070	7,551	8,383	8,728	7,615	7,069	6,569	6,559	7,555	5,804
Other	2,598	3,017	3,047	3,158	3,015	2,908	3,057	2,916	2,920	2,846
Capital Outlay	1,132	3,918	1,310	3,434	6,563	7,751	3,012	6,769	8,168	9,373
<b>Debt Service</b>										
Principal	6,460	2,285	2,040	2,140	2,480	2,380	2,275	2,140	2,005	1,840
Interest	1,242	1,074	1,039	1,130	1,066	922	1,009	1,226	1,138	1,553
Other	<u>162</u>	<u>88</u>	<u>75</u>	<u>55</u>	<u>61</u>	<u>92</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**County of Muskegon**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

*Last Ten Fiscal Years*

*(modified accrual basis of accounting)*

*(amounts express in thousands)*

(Unaudited)

	Fiscal Year									
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Total Expenditures	<u>168,903</u>	<u>155,800</u>	<u>154,657</u>	<u>164,488</u>	<u>143,124</u>	<u>153,722</u>	<u>115,442</u>	<u>113,850</u>	<u>114,540</u>	<u>109,974</u>
Excess of revenues over (under) expenditures	(8,262)	309	306	(4,659)	(4,083)	(1,879)	18	(4,764)	(8,071)	(6,967)
Transfers in	15,506	15,249	11,410	14,681	11,283	11,161	7,910	10,316	9,768	8,634
Transfers out	(15,511)	(14,081)	(10,874)	(12,853)	(12,193)	(12,085)	(8,997)	(8,841)	(10,756)	(7,806)
Bonds issued	20,580	-	-	-	6,500	6,500	-	2,680	-	-
Notes issued	-	5,000	-	-	-	-	-	-	-	-
Sale of Capital Assets	<u>434</u>	<u>526</u>	<u>36</u>	<u>50</u>	<u>12</u>	<u>1,084</u>	<u>88</u>	<u>1,491</u>	<u>1,780</u>	<u>-</u>
Total other financing sources (uses)	<u>21,009</u>	<u>6,694</u>	<u>572</u>	<u>1,878</u>	<u>5,602</u>	<u>6,660</u>	<u>(999)</u>	<u>5,646</u>	<u>792</u>	<u>828</u>
Net change in fund balances	<u>\$12,747</u>	<u>\$7,003</u>	<u>\$878</u>	<u>(\$2,781)</u>	<u>\$1,519</u>	<u>\$4,781</u>	<u>(\$981)</u>	<u>\$882</u>	<u>(\$7,279)</u>	<u>(\$6,139)</u>
Debt service as a percentage of noncapital expenditures	4.92%	2.32%	2.10%	2.11%	2.71%	2.38%	3.01%	3.25%	3.04%	3.49%

**County of Muskegon**

**GOVERNMENTAL ACTIVITIES REVENUES BY SOURCE**

*Last Seven Fiscal Years*

*(accrual basis of accounting)*

*(amounts expressed in thousands)*

(Unaudited)

<u>Fiscal Year</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Property Taxes</u>	<u>Investment Earnings</u>	<u>Rentals</u>	<u>Other Revenues and Donations</u>	<u>Total</u>
2000	\$58,961	\$30,516	\$18,697	\$1,798	\$448	\$2,735	\$113,155
2001	93,559	30,573	20,769	3,219	791	4,747	153,658
2002	76,310	33,340	22,013	1,567	967	5,693	139,890
2003	97,203	32,283	23,196	927	734	7,539	161,882
2004	90,999	33,629	24,227	759	830	7,024	157,468
2005	86,759	30,783	31,294	1,149	810	8,361	159,156
2006	83,420	33,518	35,076	1,676	743	6,643	161,076

# ***County of Muskegon***

## **GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**

***Last Ten Fiscal Years***

***(modified accrual basis of accounting)***

***(amounts express in thousands)***

**(Unaudited)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Accommodations Tax</u>	<u>Liquor Tax</u>	<u>Total</u>
1997	\$16,495	\$599	\$219	\$17,313
1998	16,355	631	224	17,210
1999	17,819	663	209	18,691
2000	18,697	769	228	19,694
2001	19,714	800	255	20,769
2002	20,987	743	283	22,013
2003	22,155	772	269	23,196
2004	23,202	758	266	24,226
2005	30,255	779	260	31,294
2006	33,943	842	291	35,076

**County of Muskegon**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 September 30,  
 (amounts express in thousands)  
 (Unaudited)

	2006			1996		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Consumers Energy	122,697	1	2.90 %	87,723	1	3.50 %
Howmet Corp (c/o Alcoa Co)	44,701	2	1.05			
Sappi Paper Products	41,572	3	0.98	77,054	2	3.10
Hayes-Lemmerz International	41,040	4	0.97			
DTE Energy	26,377	5	0.62	32,111	3	1.30
Sun Chemical of Michigan LLC	25,454	6	0.60	22,098	4	0.90
Meijer Inc	16,917	7	0.40	8,645	10	0.30
THF Fruitport Dev LP	16,057	8	0.38	10,325	8	0.40
Johnson Technology Inc.	13,616	9	0.32			
Lakes Mall LLC	12,467	10	0.29			
SPX				16,493	5	0.70
Horizon Oulets				11,669	6	0.50
Brunswick				10,942	7	0.40
Lomac				<u>8,348</u>	9	<u>0.30</u>
Totals	<u>\$360,898</u>		<u>8.51</u> %	<u>\$285,408</u>		<u>11.40</u> %

# County of Muskegon

PROPERTY TAX RATES(in dollars per thousand of taxable value)

DIRECT AND OVERLAPPING GOVERNMENTS

Last Nine Fiscal Years

(Unaudited)

Fiscal Year	County Veterans/ Museum/Central Dispatch			City/Township/Village			Overlapping Rates School Districts/Authorities/College			Grand Total
	Operating Millage(1)	Debt Millage(2)	Total Millage	Operating Millage	Debt Millage	Total Millage	Operating Millage(3)	Debt Millage	Total Millage	Direct & Overlapping Rates
1998	6.23	0.47	6.70	7.20	0.41	7.61	18.88	5.23	24.11	38.42
1999	6.29	0.43	6.72	7.32	0.39	7.71	19.26	5.96	25.22	39.65
2000	6.24	0.43	6.67	7.22	0.33	7.55	19.03	5.89	24.92	39.14
2001	6.19	0.43	6.62	6.48	1.00	7.48	19.30	6.29	25.59	39.69
2002	6.30	0.40	6.70	6.31	0.95	7.26	20.18	6.03	26.21	40.17
2003	6.40	0.40	6.80	6.32	0.69	7.01	19.06	6.52	25.58	39.39
2004	6.40	0.40	6.80	7.15	0.05	7.20	20.12	6.41	26.53	40.53
2005	6.40	0.38	6.78	7.25	0.03	7.28	20.24	6.40	26.64	40.70
2006	6.03	0.36	6.39	6.78	0.00	6.78	18.21	7.00	25.21	38.38

Source: Equalization Department

1) Museum, Veterans and Central dispatch operating millage equals between .87 and 1.08 mills

2) County debt was issued for the renovation of a performing arts building

3) Authority operating millage equals between .30 and .75 operating mills

## County of Muskegon

### ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(in millions of dollars)

(Unaudited)

Fiscal Year Ended <u>September 30</u>	<u>Assessed Value</u>			<u>Taxable Value</u>			Percentage of Taxable to Assessed Value	Total Cash Value
	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Taxable</u>		
1997	\$2,388	\$306	\$2,694	\$2,217	\$306	\$2,523	93.65 %	\$5,388
1998	2,580	297	2,877	2,342	297	2,639	91.73	5,754
1999	2,856	336	3,192	2,472	336	2,808	87.97	6,384
2000	3,129	346	3,475	2,623	346	2,969	85.44	6,950
2001	3,497	400	3,897	2,844	400	3,244	83.24	7,794
2002	3,912	372	4,284	3,081	372	3,453	80.60	8,568
2003	4,226	368	4,594	3,246	368	3,614	78.67	9,188
2004	4,469	371	4,840	3,425	371	3,796	78.43	9,680
2005	4,674	379	5,053	3,616	379	3,995	79.06	10,106
2006	4,917	377	5,294	3,860	377	4,237	80.03	10,588

Source: Equalization Department

# County of Muskegon

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(amounts expressed in thousands)

(Unaudited)

<u>Ended</u> <u>September 30</u>	<u>Total Tax</u> <u>Levy for</u> <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy</u>		<u>Collections in</u> <u>Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
1997	\$14,320	\$12,728	88.9%	\$1,592	\$14,320	100.0%
1998	14,977	13,253	88.5%	1,724	14,977	100.0%
1999	15,777	14,051	89.1%	1,726	15,777	100.0%
2000	16,669	14,821	88.9%	1,848	16,669	100.0%
2001	17,940	15,983	89.1%	1,957	17,940	100.0%
2002	18,879	16,946	89.8%	1,933	18,879	100.0%
2003	19,810	17,875	90.2%	1,935	19,810	100.0%
2004	20,872	18,880	90.5%	1,574	20,454	98.0%
2005	22,003	20,103	91.4%	794	20,897	95.0%
2006*	24,109	N/A	N/A	N/A	N/A	N/A

\* Estimated Tax Levy

# County of Muskegon

## RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(amounts express in thousands, except per capita amount)

(Unaudited)

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of personal income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation bonds	Special Assessment Bonds	Building Authority bonds	Revenue bonds	Building Authority bonds	Delinquent tax notes			
2006	\$12,205	\$28,310	\$6,375	\$32,829	\$2,240	\$10,500	\$92,459	3.02%	\$543.24
2005	12,980	8,055	6,735	22,565	2,635	10,500	63,470	2.08%	372.91
2004	13,890	9,075	7,090	24,805	3,030	10,500	68,390	2.24%	401.82
2003	14,750	9,910	7,435	26,945	3,325	10,500	72,865	2.38%	428.11
2002	15,520	10,720	7,995	29,230	3,620	11,500	78,585	2.57%	461.72
2001	16,230	12,105	1,880	14,140	3,910	13,750	62,015	1.66%	364.37
2000	16,890	6,960	2,245	18,300	1,700	16,050	62,145	1.66%	365.13
1999	17,490	8,265	2,615	20,095	1,885	16,350	66,700	2.62%	419.54
1998	17,355	6,890	2,940	21,910	2,070	15,400	66,565	2.62%	418.69
1997	17,725	7,795	3,175	23,800	2,000	9,700	64,195	2.52%	403.79

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the Schedule of Demographic and Economic Statistics in this section for personal income and population data.

## County of Muskegon

### **RATIO OF NET GENERAL BONDED DEBT OUTSTANDING**

*Last Ten Fiscal Years*

*(amounts express in thousands, except per capita amount)*

(Unaudited)

<u>Fiscal year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2006	\$12,205	\$1,585	\$10,620	0.27%	62.40
2005	12,980	1,295	11,685	0.29%	68.65
2004	13,890	1,151	12,739	0.34%	74.85
2003	14,750	938	13,812	0.38%	81.15
2002	15,520	786	14,734	0.43%	86.57
2001	16,230	557	15,673	0.48%	92.09
2000	16,890	390	16,500	0.56%	96.94
1999	17,490	245	17,245	0.61%	108.47
1998	17,355	211	17,144	0.65%	107.84
1997	17,725	106	17,619	0.70%	110.82

## County of Muskegon

### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2006

(Unaudited)

	<u>Net Debt Outstanding</u>	Percentage Applicable to this Governmental Unit <sup>1</sup>	<u>Share of Debt</u>
County Issued Bonds Paid by Local			
Municipalities	\$28,310,000	0.88%	\$24,912,800
County at Large	53,649,017	100	53,649,017
Tax Anticipation Notes	<u>10,500,000</u>	100	<u>10,500,000</u>
Direct Debt	92,459,017		89,061,817
Muskegon Community			
College & Intermediate School			
Districts	18,031,347	100	18,031,347
School Districts	353,127,400	99.9	352,774,273
Cities, Villages and Townships	83,036,000	100	83,036,000
White Lake District Library	<u>1,395,000</u>	100	<u>1,395,000</u>
Overlapping Debt	455,589,747		455,236,620
Total Direct and Overlapping Debt	<u>\$548,048,764</u>		<u>\$544,298,437</u>

Source: Municipal Advisory Council

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County of Muskegon. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>1</sup>The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**County of Muskegon**  
**LEGAL DEBT MARGIN INFORMATION**  
*Last Ten Fiscal Years*  
*(amounts express in thousands)*  
(Unaudited)

<u>Fiscal Year</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Debt Limit	\$529,516	\$505,360	\$484,014	\$459,402	\$428,427	\$389,651	\$347,554	\$319,172	\$287,677	\$269,358
Total net debt applicable to limit	<u>81,835</u>	<u>49,507</u>	<u>51,489</u>	<u>54,758</u>	<u>52,073</u>	<u>49,279</u>	<u>44,519</u>	<u>55,761</u>	<u>53,939</u>	<u>48,934</u>
Legal debt margin	<u>\$447,681</u>	<u>\$455,853</u>	<u>\$432,525</u>	<u>\$404,644</u>	<u>\$376,354</u>	<u>\$340,372</u>	<u>\$303,035</u>	<u>\$263,411</u>	<u>\$233,738</u>	<u>\$220,424</u>
Total net debt applicable to the limit as a percentage of debt limit	15.45%	9.80%	10.64%	11.92%	12.15%	12.65%	12.81%	17.47%	18.75%	18.17%

**Legal Debt Margin Calculation for Fiscal Year 2006**

State equalized value	<u>\$5,295,156,733</u>
Debt limit(10% of SEV)	529,515,673
Debt applicable to limit:	
Total bonded debt	92,459,017
Other debt	<u>8,047,460</u>
Total applicable debt	100,506,477
Less amount available for debt retirement	<u>18,671,564</u>
Total net debt applicable to limit	<u>81,834,913</u>
Legal Debt Margin	<u>\$447,680,760</u>

Note: Under Michigan State law, the County of Muskegon's outstanding debt should not exceed 10% of state equalized value less amounts available for repaying the applicable bonds.

**County of Muskegon**  
**PLEGGED-REVENUE COVERAGE**  
*Last Ten Fiscal Years*  
*(amounts express in thousands)*  
(Unaudited)

**Sewer Revenue Bonds**

**Special Assessment Bonds**

Fiscal Year	Sewer Charges <sup>(1)</sup>	Less: Operating Expenses <sup>(2)</sup>	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
1997	\$1,721	\$1	\$1,720	\$645	\$1,114	97.78%	\$873	\$1,840	\$1,552	25.74%
1998	2,183	0	2,183	2,005	491	87.46	1,397	1,725	1,104	49.38
1999	2,786	2	2,784	1,725	1,001	102.13	1,275	2,140	1,226	37.88
2000	2,644	1	2,643	1,695	922	100.99	1,150	2,275	1,009	35.02
2001	2,536	13	2,523	1,665	841	100.68	1,325	1,355	9	97.14
2002	3,479	2	3,477	1,910	756	130.42	1,350	1,385	36	95.00
2003 <sup>(3)</sup>	3,426	121	3,305	2,285	1,162	95.88	800	810	36	94.56
2004	3,459	1	3,458	2,140	1,292	100.76	800	835	34	92.06
2005	3,318	1	3,317	2,240	1,075	100.06	425	1,020	32	40.40
2006	3,442	1	3,441	2,300	963	105.46	250	325	2	76.45

(1) Total revenues including interest

(2) Operating expenses are paying agent fees and issuing costs

(3) Refunded \$6,990,000 Sewer Bond

## County of Muskegon

**PRINCIPAL EMPLOYERS**  
*Current Year and Nine Years Ago*  
 (Unaudited)

<u>Employer</u>	<u>2006</u>			<u>1997</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total county employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total county employment</u>
Howmet Corp.	2,427	1	2.81%	1,930	2	3.19%
Mercy General Health Partners	2,108	2	2.44	2,400	1	3.97
Hackley Hospital	1,568	3	1.82	1,300	4	2.15
Meijer Inc.	1,300	4	1.51	1,150	5	1.90
County of Muskegon	1,150	5	1.33	1,380	3	2.28
Muskegon Public Schools	1,110	6	1.29	878	6	1.45
Hayes Lemmerz International	558	7	0.65			
L3 Communications	550	8	0.64			
Adac Plastics	481	9	0.56			
Johnson Controls	476	10	0.55			
Sappi Fine Paper				839	8	1.39
Plumb's Foods				850	7	1.41
Brunswick				650	9	1.07
Reeths-Puffer Schools				524	10	0.87

## County of Muskegon

### DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	(2)	(2)	(1)	(3)		
Ending	Personal	Per	Median	School	Unemployment	
September 30	Income	Capita	Age	Enrollment	Rate	
	(2)	(amounts expressed	Personal			
	Population	in thousands)	Income			
1997	158,983	1,803,662	11,345	32.7	34,122	5.2%
1998	158,983	1,803,662	11,345	32.7	34,121	4.5%
1999	158,983	1,803,662	11,345	32.7	33,890	4.5%
2000	170,200	3,057,983	17,967	35.5	33,842	4.4%
2001*	171,428	3,080,047	17,967	35.5	33,973	5.8%
2002*	172,165	3,093,289	17,967	35.5	34,851	8.8%
2003*	173,178	3,111,489	17,967	35.5	33,580	10.0%
2004*	174,146	3,128,881	17,967	35.5	33,370	8.8%
2005*	175,554	4,161,859	23,707	35.5	32,982	7.2%
2006*	176,900	4,193,768	23,707	35.5	NA	6.8%

\* Estimated

1) US Census Bureau

2) Michigan Dept of History Arts and Library

3) West Michigan Shoreline Regional Development Council

**County of Muskegon**

**OPERATING INDICATORS BY FUNCTION**

**Last Ten Fiscal Years**

(Unaudited)

<b>Function</b>	<b><u>1997</u></b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>
<b>Police</b>										
Bookings	6,946	7,425	7,625	8,549	9,096	8,953	9,049	9,343	9,815	10,343
Traffic Stops	-	-	-	2,384	3,104	3,837	4,283	3,521	3,087	2,447
Verbal Warnings	1,357	848	642	1,238	1,862	2,094	1,892	1,706	1,683	1,100
Citations	2,091	1,988	1,908	3,204	3,654	4,391	4,329	2,851	2,491	2,039
<b>County Road Commission</b>										
Street resurfacing (miles)	102	46	32	94	13	71	22	32	95	NA
<b>Sanitation</b>										
Refuse collected (tons)	58,072	48,091	72,891	89,133	89,186	76,026	67,573	60,256	88,971	126,994
Recyclables collected (tons)	92	75	89	104	92	89	69	77	66	39
<b>Water</b>										
New Connections	-	-	-	-	-	886	941	995	1,033	106
Average daily consumption (thousands of gallons)	-	-	-	404	347	348	380	374	483	406
<b>Wastewater</b>										
Avg daily sewage treatment (gallons)	32	32	30	29	28	25	25	26	23	20
<b>District Court</b>										
Cases Filed	44,612	44,619	44,796	44,256	46,416	48,193	45,766	43,554	44,573	45,275
Cases Disposed	43,343	43,660	45,339	48,130	47,977	55,210	51,708	51,932	46,915	45,036
Cases Pending	19,120	20,079	19,536	15,662	14,101	8,069	8,083	5,800	6,183	6,607

**County of Muskegon**  
**FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**  
(Unaudited)

Function	Full-time Equivalent Employees as of September 30									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Administration</u>										
Administrator	9	9	9	8	8	9	9	9	9	9
Accounting	12	10	12	12	12	12	12	11	11	10
Human Resources	8	6	6	6	6	6	6	5	5	5
Purchasing	4	4	4	4	4	4	4	4	4	4
Office Services	4	4	4	4	4	4	4	5	5	5
Information Systems	13	12	11	11	12	12	11	8	8	8
Employment and Training	21	15	18	18	21	21	22	21	21	22
Corporate Counsel	-	-	-	-	-	-	3	3	3	-
Risk Management	<u>4</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Total	75	65	70	69	74	76	79	74	74	71
<u>DPW - Transportation and Planning</u>										
Public Works	4	1	1	1	1	1	1	1	-	-
Airport	19	17	17	16	16	16	20	15	15	14
Transit	40	39	39	39	43	45	46	46	46	47
Wastewater	76	77	78	80	81	81	81	81	65	59
Regional Water System	-	-	-	-	-	-	-	-	-	2
Solid Waste	10	10	10	10	10	11	11	14	14	13
Solid Waste - Fly Ash	<u>4</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	153	149	150	150	155	158	163	158	141	136

*County of Muskegon*  
**FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION**  
*Last Ten Fiscal Years*  
(Unaudited)

Function	Full-time Equivalent Employees as of September 30									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>General Government</u>										
County Clerk	6	6	6	6	6	6	6	6	6	6
County Clerk - Circuit Court Records	6	7	7	7	7	8	8	8	8	8
Equalization	14	15	15	20	22	23	23	22	22	22
Register of Deeds	8	8	8	9	9	9	9	9	9	9
Treasurer	10	10	10	10	10	10	10	10	10	10
Buildings Information Services	1	1	1	1	-	-	-	-	-	-
Drain Commission	5	5	5	5	4	4	5	5	5	5
MSU - Cooperative Extension	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	52	54	54	60	60	62	63	61	61	61
<u>Judicial Administration</u>										
Circuit Court	21	21	21	20	19	19	19	19	19	23
District Court	48	49	48	53	54	56	56	58	58	61
District Court - Probation Assessment	2	2	2	2	2	2	2	2	2	2
Family Court - FOC Division	39	43	44	41	42	42	41	46	45	46
Family Court - FOC Family Counseling	1	1	1	1	1	1	1	1	1	1
Family Court - FOC Medical Support	-	-	-	-	2	2	1	1	2	2
Family Court - FOC Welfare Support	-	-	-	-	1	1	1	1	-	-
Family Court - Juvenile Division	22	21	23	23	19	19	18	17	15	17
Family Court - Juvenile Division Program	2	3	1	1	1	-	-	-	-	-
Family Court - Juvenile In Home Intensive	-	-	6	12	13	13	13	14	14	14
Family Court - Juvenile Violence Reporting	-	-	1	-	-	-	-	-	-	-

**County of Muskegon**  
**FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**  
(Unaudited)

Function	Full-time Equivalent Employees as of September 30									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Family Court - CASA Program	1	1	-	-	-	-	-	-	-	-
Family Court - Re-Entry Initiative	-	-	-	-	-	-	3	3	3	2
Family Court - Special Improvement Project	-	-	-	-	-	-	3	3	-	-
Probate Court	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Total	143	148	154	160	161	162	165	172	166	175
<u>Legislative</u>										
Board of Commissioners	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
Total	9	9	9	9	9	9	11	11	11	11
<u>Libraries and Recreation</u>										
Library	40	40	40	41	41	42	42	41	41	27
County Parks	21	21	19	22	22	22	22	22	22	22
Convention/Visitor's Bureau	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Total	61	61	59	68	68	69	68	68	69	56
<u>Maintenance</u>										
Courthouse-Grounds	<u>19</u>	<u>19</u>	<u>21</u>	<u>21</u>	<u>24</u>	<u>24</u>	<u>22</u>	<u>14</u>	<u>14</u>	<u>14</u>
Total	19	19	21	21	24	24	22	14	14	14
<u>Public and Mental Health</u>										
Health	95	97	107	106	110	110	87	79	81	85
Mental Health	320	313	302	302	255	256	255	257	256	260
Mental Health/Managed Care	-	-	14	17	66	68	69	68	67	67
Animal Shelter	<u>8</u>	<u>11</u>	<u>-</u>							
Total	423	421	423	425	431	434	411	404	404	412

**County of Muskegon**  
**FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**  
(Unaudited)

<b>Function</b>	<b>Full-time Equivalent Employees as of September 30</b>									
	<b><u>1997</u></b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>
<b>Public Safety</b>										
Prosecutor	28	28	22	22	20	20	21	20	20	21
Prosecutor - Cooperative Reimbursement	-	-	5	5	5	5	6	6	6	5
Prosecutor - Crime Victims Rights	3	3	4	4	4	4	3	4	4	4
Prosecutor - Family Court FIA Grant	-	-	-	-	3	3	3	3	3	3
Prosecutor - Juvenile Accountability Incentive	-	-	-	1	2	2	1	1	1	1
Prosecutor - Community Gun Violence	-	-	-	-	-	-	2	2	2	-
Prosecutor - Project Cornerstone	-	-	-	2	2	2	2	-	-	1
Sheriff - Operations	96	94	106	106	108	108	115	115	118	122
Sheriff - Road Patrol Grant	-	-	2	2	2	2	2	2	2	2
Sheriff - School Liaison Grant	-	-	-	1	1	2	2	2	2	-
Sheriff - Marine	8	8	8	8	8	8	8	8	8	8
Sheriff - Building Security	-	-	-	-	-	-	-	-	-	10
Sheriff - Township Patrols	-	-	-	-	5	5	5	5	4	3
Community Corrections	8	8	7	7	8	8	8	8	8	8
Emergency Services	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>3</u>
Total	146	143	156	160	171	172	181	179	180	191

*County of Muskegon*  
**FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION**  
*Last Ten Fiscal Years*  
(Unaudited)

<b>Function</b>	<b>Full-time Equivalent Employees as of September 30</b>									
	<b><u>1997</u></b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>
<u>Social Services</u>										
Child Haven	16	16	16	16	16	16	16	16	16	16
Brookhaven	248	249	240	250	243	244	244	239	239	239
Juvenile Detention Center	<u>35</u>	<u>35</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>27</u>	<u>27</u>	<u>27</u>
Total	299	300	282	292	285	286	286	282	282	282
GRAND TOTAL	<u>1,380</u>	<u>1,369</u>	<u>1,378</u>	<u>1,414</u>	<u>1,438</u>	<u>1,452</u>	<u>1,449</u>	<u>1,423</u>	<u>1,402</u>	<u>1,409</u>

# County of Muskegon

## Capital Asset Statistics by Function/Program Last Ten Fiscal Years (Unaudited)

Function	Fiscal year ended September 30,									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Public Safety Police										
Jail	1	1	1	1	1	1	1	1	1	1
Patrol Units	20	18	18	23	24	27	27	28	25	25
Culture and recreation										
Parks acreage	299	299	337	337	337	337	337	337	337	337
Parks	6	6	6	6	6	6	6	6	6	6
Sewer	350	350	350	350	352	352	352	352	352	352
Storm and Sanitary (miles)										
Maximum daily treatment capacity (thousands of gallons)	43,700	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000
Airport	191	195	180	180	157	139	143	119	129	129
Capacity (thousand of passengers)										
Transit	18	14	15	15	18	15	18	15	15	18
Number of buses										
Solid Waste	1,106	1,275	1,022	1,022	934	934	2,654	3,100	3,100	3,100
Capacity (thousand cu. yds.)										