

# COUNTY OF MUSKEGON

## Muskegon, Michigan



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

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, 2007

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

DON ALEY  
CHARLES L. BUZZELL  
LEW COLLINS  
MARVIN R. ENGLE  
BILL GILL

KENNETH MAHONEY  
LOUIS A. MCMURRAY  
ROBERT SCOLNIK  
I. JOHN SNIDER II  
ROGER C. WADE

**COUNTY ADMINISTRATOR**  
JACK NIEMIEC

# TABLE OF CONTENTS

	<u>Pages</u>
<b>INTRODUCTORY SECTION</b>	
Title Page	1
Table of Contents	2-3
Letter of Transmittal	4-9
GFOA Certificate of Achievement	10
Organizational Chart	11
List of Elected Officials	12
 <b>FINANCIAL SECTION</b>	
Independent Auditors' Report	13-14
Management's Discussion and Analysis	15-29
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	30-31
Statement of Activities	32
Fund Financial Statements:	
Balance Sheet - Governmental Funds	33-34
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	35
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36
Statement of Net Assets - Proprietary Funds	37-38
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	39
Statement of Cash Flows - Proprietary Funds	40-41
Statement of Fiduciary Net Assets - Fiduciary Funds	42
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	43
Notes to Basic Financial Statements	44-95
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Major Special Revenue Funds	96-99
Schedule of Funding Progress - Municipal Employees Retirement System of Michigan	100
Combining Funds Statements and Schedules:	
Budget and Actual by Department - General Fund	101-102
Combining Balance Sheet - Non-Major Governmental Funds	110-118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non Major Governmental Funds	119-127
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Non-Major Governmental Funds	128-144
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Major Governmental Fund - Water and Sewer Debt	145
Combining Balance Sheet - Other Non-Major Proprietary Funds	147-150
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	151-152
Combining Statement of Cash Flows - Other Non-Major Proprietary Funds	153-156

## TABLE OF CONTENTS - CONTINUED

	<u>Pages</u>
Combining Balance Sheet - Internal Service Funds	158-159
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Funds	160
Combining Statement of Cash Flows - Internal Service Funds	161-162
Combining Balance Sheet - Agency Funds	164
Combining Statements of Changes in Assets and Liabilities - Agency Funds	165-168

### STATISTICAL SECTION

Net Assets by Component	170
Changes in Net Assets	171-173
Fund Balances of Governmental Funds	174
Changes in Fund Balances of Governmental Funds	175-176
Governmental Funds Revenues by Source	177
General Governmental Tax Revenues by Source	178
Principal Property Taxpayers	179
Property Tax Rates Direct and Overlapping Governments	180
Assessed and Taxable Value of Taxable Property	181
Property Tax Levies and Collections	182
Ratio of Outstanding Debt by Type	183
Ratio of Net General Bonded Debt Outstanding	184
Direct and Overlapping Governmental Activities Debt	185
Legal Debt Margin Information	186
Pledged-Revenue Coverage	187
Principal Employers	188
Demographic and Economic Statistics	189
Operating Indicators by Function	190
Full-time Equivalent County Employees by Function	191-195
Capital Asset Statistics by Function/Program	196

# MUSKEGON COUNTY

---

## M I C H I G A N

December 17, 2007

### 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

Lew Collins  
District 6

Marvin R. Engle  
District 5

Bill Gill  
District 8

Kenneth Mahoney  
District 1

Louis A. McMurray  
District 9

Robert Scolnik  
District 11

Roger C. Wade  
District 10

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, 2007.

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, 2007, 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 and 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. As the Muskegon Metropolitan Statistical Area (MSA), 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.

The whole view of Muskegon County can be seen from a national perspective. Tax laws are very favorable for retirees and retiree homesteads in Michigan. Aging boomers are staying active longer and are making more demands on health care. Boomers are also going back to school for higher degrees during the later years. This is seen in a comparison between the years of 2000 and 2005 by W.E. Upjohn Institute. Higher level degrees have increased on average by 3% in Muskegon County as they relate to residents 25 and older. With Muskegon County having excellent health care facilities and the availability of University level degrees through two colleges in the community, Muskegon County is positioned to provide an excellent retirement choice for future retirees and the increased spending they provide.

While manufacturing employment is predicted to have a slight slowdown nationally, Muskegon will experience a 1.2% growth in 2008 (W.E. Upjohn Institute). The commercial, industrial and tourism components of the Muskegon economy continue to improve. 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.

Hackley Hospital - This company employs approximately 2,000 employees. They provide comprehensive health care services for the community.

Mercy General Health Partners - This company employs approximately 1,500 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.

Johnson Technology - This company has approximately 500 employees and provides precision machining, laser and tooling, and stem drilling nationwide.

L-3 Communications - This company has approximately 530 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 300 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: 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 ten 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, 2006, in funding 86 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 395 retired employees receiving these benefits, which are financed through a defined benefit trust. 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.

**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 \$4,069,069 in 2007, and \$3,418,129 in 2006 for an average yield of 4.78 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 2007, 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 \$1.9 million. Ongoing into future years, this backward shift in assessment will result in an estimated additional property tax increase for the General fund of \$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 2007, the building of the fiber backbone was 100% complete and is servicing 80 individual locations with video, data, internet and telephone communications.

Our wastewater system continues 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 was 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, which will be completed in 2008. Both of these projects are funded by State revolving fund loans at an extremely low rate of interest of 1.625%

### **Awards and Acknowledgments**

In 2007, independent auditors were engaged for the thirty second 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, 2006. This was the twenty ninth 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,

  
Jack Niemiec  
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, 2006

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.



*Oliver S. Cox*

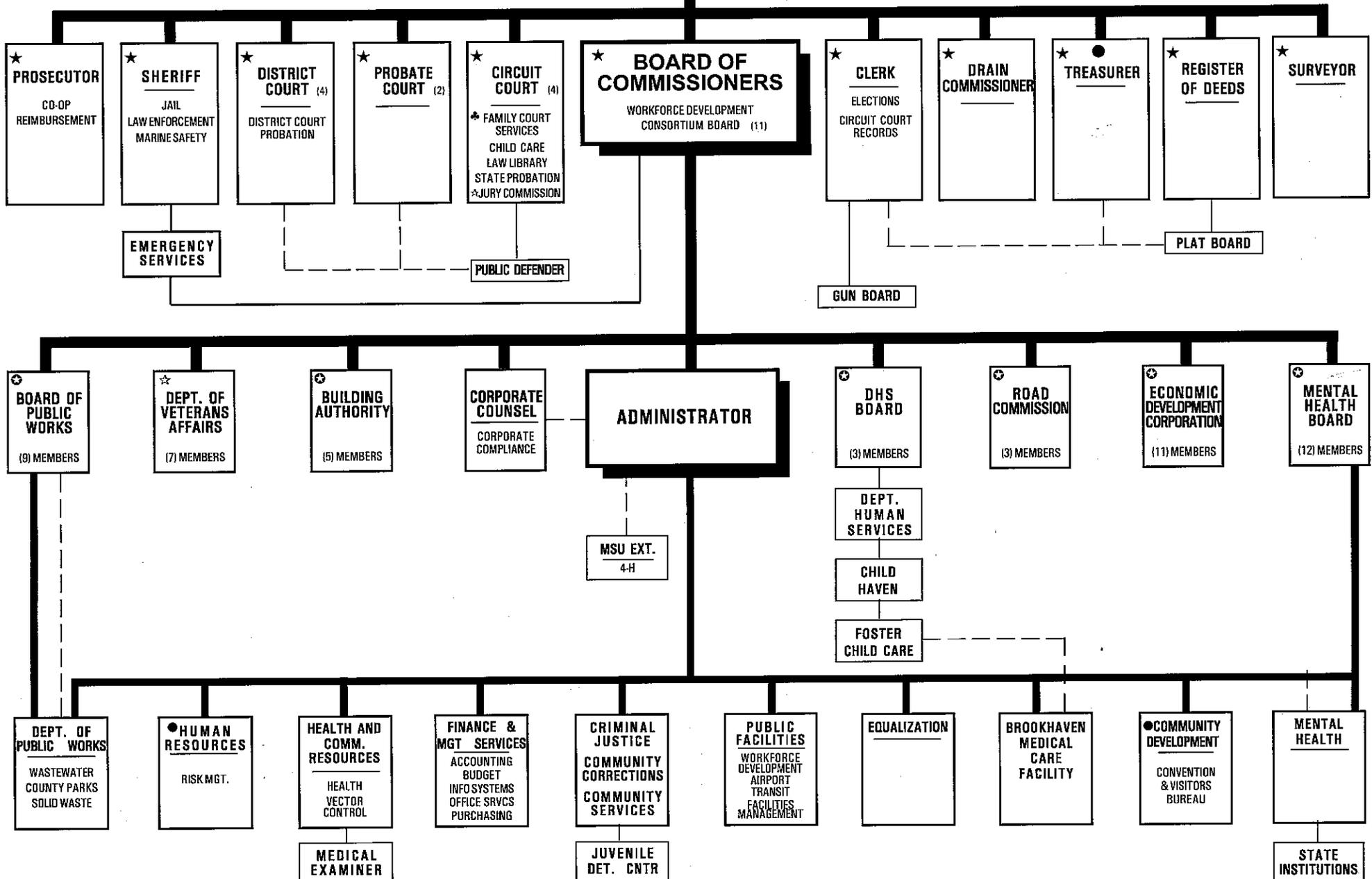
President

*Jeffrey R. Emer*

Executive Director

# 2007 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, 2007

**COMMISSIONERS**

KENNETH MAHONEY, DISTRICT 1  
CHARLES L. BUZZELL, DISTRICT 2  
I. JOHN SNIDER II, DISTRICT 3  
JAMES J. DEREZINSKI, DISTRICT 4  
MARVIN R. ENGLE, DISTRICT 5  
LEW COLLINS, 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  
MARIA LADAS HOOPEES

**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  
FAX: 231-733-0031  
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, 2007, 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, 2007, 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 January 18, 2008, 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 96 through 100 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.

*Pridnia Latnes, PLLC*

Muskegon, Michigan  
January 18, 2008

## 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, 2007. 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 \$196,912,584 at the close of Fiscal year 2007.

The largest portion of net assets in the County (70%) 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	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Cash and Investments	\$42,870,482	\$52,784,647	\$32,283,893	\$31,727,555	\$75,154,375	\$84,512,202
Receivables	44,889,840	42,237,070	15,992,333	12,389,434	60,882,173	54,626,504
Other Current Assets	1,289,035	3,057,987	560,774	1,352,193	1,849,809	4,410,180
Long Term Assets	4,796,561	5,740,406	-	-	4,796,561	5,740,406
Capital Assets	<u>58,730,443</u>	<u>59,692,240</u>	<u>143,339,737</u>	<u>130,296,182</u>	<u>202,070,180</u>	<u>189,988,422</u>
<b>Total Assets</b>	<b>152,576,361</b>	<b>163,512,350</b>	<b>192,176,737</b>	<b>175,765,364</b>	<b>344,753,098</b>	<b>339,277,714</b>
Other Liabilities	19,710,640	24,348,312	15,250,292	17,667,954	34,960,932	42,016,266
Long Term Liabilities	<u>57,140,743</u>	<u>59,195,323</u>	<u>55,738,839</u>	<u>45,569,017</u>	<u>112,879,582</u>	<u>104,764,340</u>
<b>Total Liabilities</b>	<b>76,851,383</b>	<b>83,543,635</b>	<b>70,989,131</b>	<b>63,236,971</b>	<b>147,840,514</b>	<b>146,780,606</b>
Net Assets:						
Investment in capital assets						
net of related debt	40,455,204	41,017,834	98,080,324	91,214,091	138,535,528	132,231,925
Restricted	12,686,218	18,875,765	2,020,478	2,594,326	14,706,696	21,470,091
Unrestricted	<u>22,583,556</u>	<u>20,075,116</u>	<u>21,086,804</u>	<u>18,719,976</u>	<u>43,670,360</u>	<u>38,795,092</u>
<b>Total Net Assets</b>	<b><u>\$75,724,978</u></b>	<b><u>\$79,968,715</u></b>	<b><u>\$121,187,606</u></b>	<b><u>\$112,528,393</u></b>	<b><u>\$196,912,584</u></b>	<b><u>\$192,497,108</u></b>

A portion (7%) of the County's net assets have certain restrictions placed on their use. The remaining balance of unrestricted net assets (\$43,670,360) can be used to meet the County's ongoing obligations to its residents and creditors.

A major portion (58%) 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 decreased the County's net assets by (\$4,243,737). This decrease in net assets was primarily due to increases in general government expenditures. Other elements of the decrease are as follows:

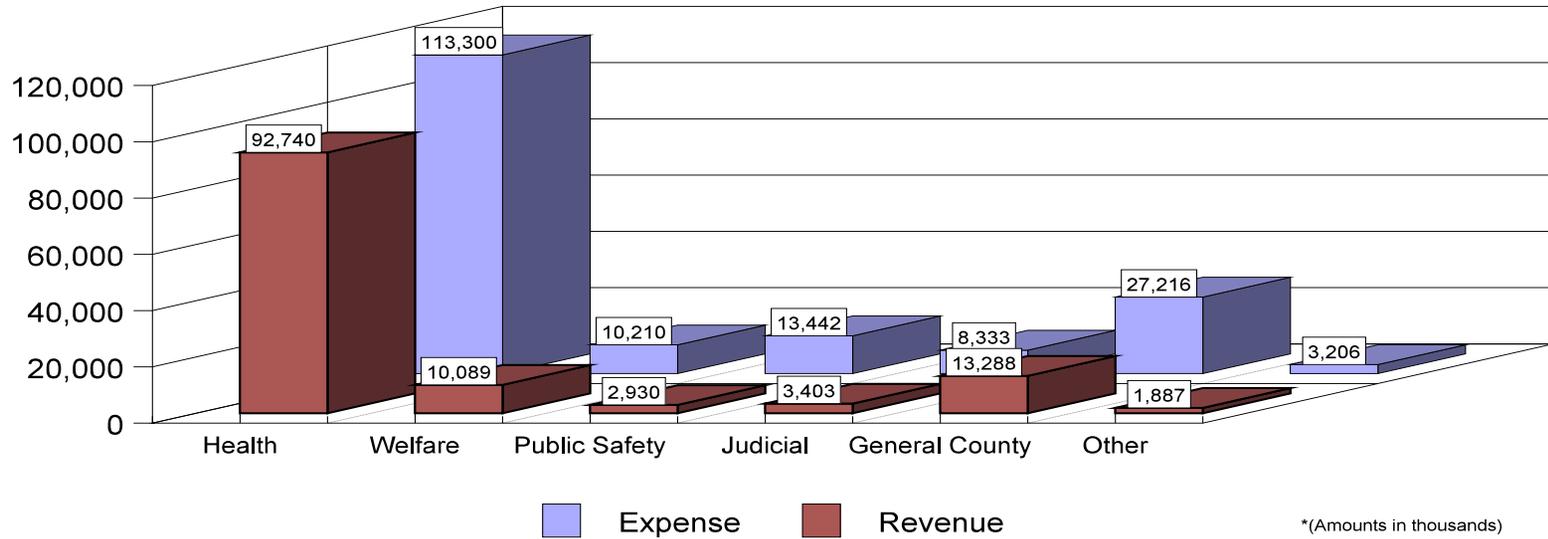
**Muskegon County Changes in Net Assets**

	Governmental Activities 2007	Governmental Activities 2006	Business-type Activities 2007	Business-type Activities 2006	Total 2007	Total 2006
Revenues						
Program Revenues						
Operating Grants and Contributions	\$35,228,854	\$33,517,798	\$5,215,673	\$2,982,286	\$40,444,527	\$36,500,084
Charges for services/Sales	89,108,629	104,742,737	22,532,027	20,258,248	111,640,656	125,000,985
Capital Grants and contribution	-	-	5,828,501	2,322,572	5,828,501	2,322,572
General Revenues						
Taxes	36,901,884	35,075,577	-	-	36,901,884	35,075,577
Investment Earnings	2,505,432	2,158,371	1,563,637	1,259,758	4,069,069	3,418,129
Contributions from private sources	1,719,839	1,709,700	-	-	1,719,839	1,709,700
Other	6,426,572	6,881,147	56,933	344,029	6,483,505	7,225,176
Total Revenues	\$171,891,210	\$184,085,330	\$35,196,771	\$27,166,893	\$207,087,981	\$211,252,223

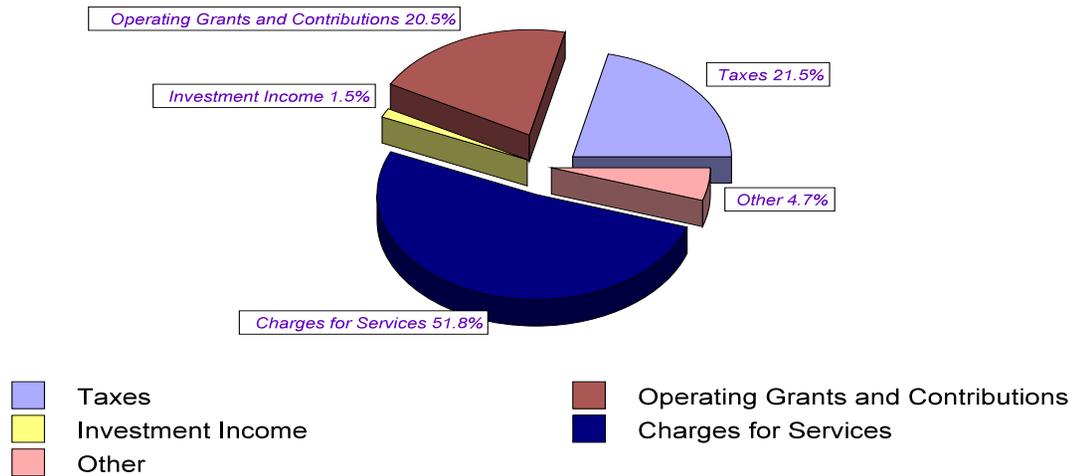
**Muskegon County Changes in Net Assets (continued)**

	Governmental Activities 2007	Governmental Activities 2006	Business-type Activities 2007	Business-type Activities 2006	Total 2007	Total 2006
Expenses						
Legislative	\$435,324	\$437,877	\$ -	\$ -	\$435,324	\$437,877
Judicial	8,333,166	8,173,303	-	-	8,333,166	8,173,303
General County Government	27,215,583	20,971,396	-	-	27,215,583	20,971,396
Public Safety	13,442,236	13,218,610	-	-	13,442,236	13,218,610
Health	113,299,974	109,597,557	-	-	113,299,974	109,597,557
Welfare	10,210,348	9,177,822	-	-	10,210,348	9,177,822
Culture	312,702	308,449	-	-	312,702	308,449
Recreation	826,897	797,622	-	-	826,897	797,622
Other	624,315	1,277,860	-	-	624,315	1,277,860
Debt Service Interest	863,763	1,241,729	-	-	863,763	1,241,729
Debt Service Other	142,983	162,138	-	-	142,983	162,138
Solid Waste	-	-	3,599,917	3,526,550	3,599,917	3,526,550
Airport	-	-	2,423,439	2,473,589	2,423,439	2,473,589
Wastewater	-	-	14,607,616	15,023,204	14,607,616	15,023,204
Other proprietary funds	-	-	6,334,242	6,096,242	6,334,242	6,096,242
Total Expenses	<u>175,707,291</u>	<u>165,364,363</u>	<u>26,965,214</u>	<u>27,119,585</u>	<u>202,672,505</u>	<u>192,483,948</u>
Increase (decrease) in net assets before transfers	(3,816,081)	18,720,967	8,231,557	47,308	4,415,476	18,768,275
Transfers	<u>(427,656)</u>	<u>(4,642)</u>	<u>427,656</u>	<u>4,642</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net assets	(4,243,737)	18,716,325	8,659,213	51,950	4,415,476	18,768,275
Net Assets - October 1	<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>
Net Assets - September 30	<u><u>\$75,724,978</u></u>	<u><u>\$79,968,715</u></u>	<u><u>\$121,187,606</u></u>	<u><u>\$112,528,393</u></u>	<u><u>\$196,912,584</u></u>	<u><u>\$192,497,108</u></u>

## Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities



- Property taxes increased by \$1,826,307 (5 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 5% resulting from the State and Federal government increasing their participation in programs.
- General Government expenditures increased by 29% do to moving from a pay-as-you-go plan for retire health care to a defined benefit plan with a third party provider that is based a current actuarial report.
- Investment income increased by 16% 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 \$8,659,213. A substantial increase in wastewater operating revenues, charges for services, and capital contributions 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.

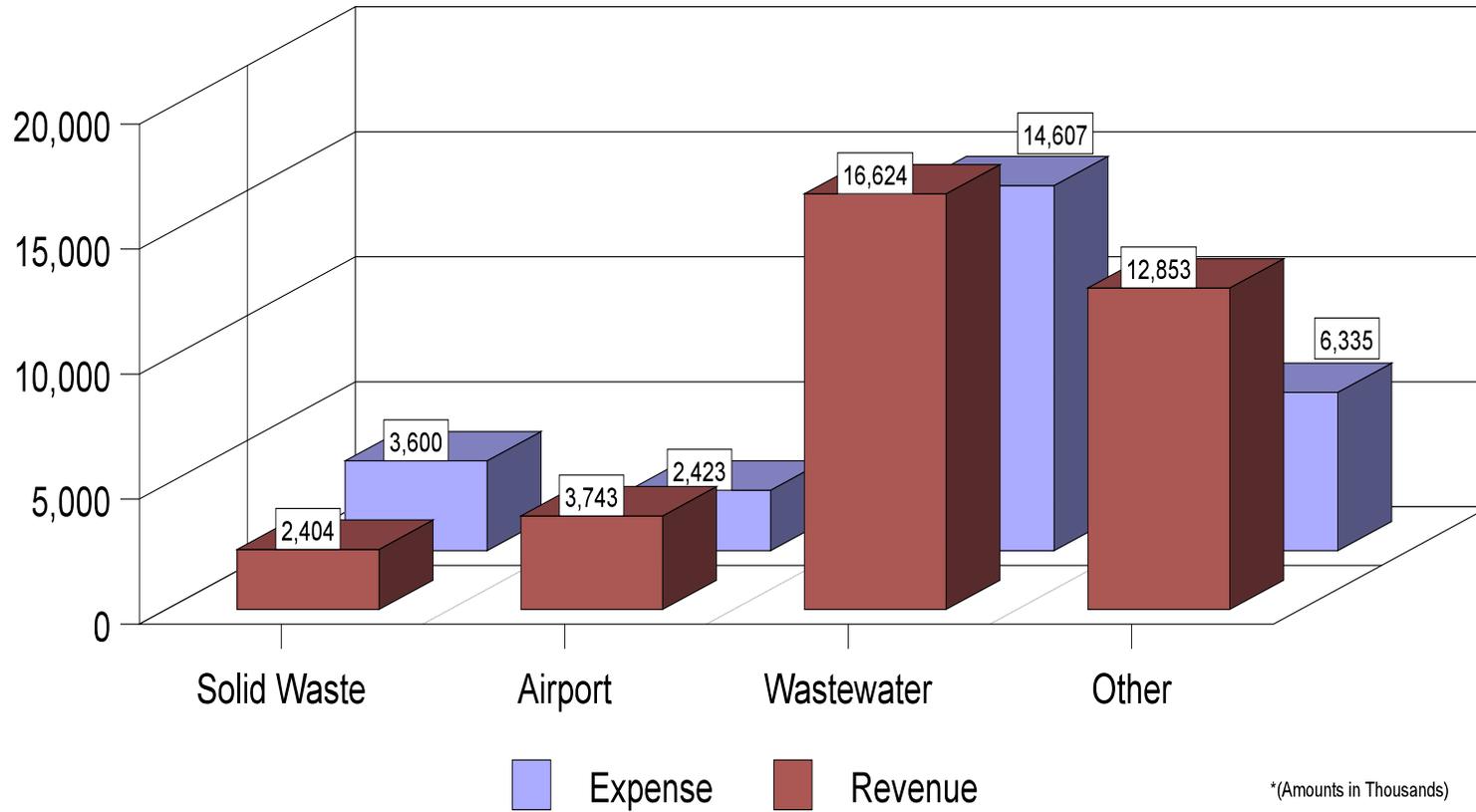
**Governmental funds.** The focus of the County of Muskegon's governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the County of Muskegon's financing requirements. In particular, unreserved fund balance 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 \$36,066,620, a decrease of \$1,419,803 in comparison with the previous year. Approximately 59% of the fund balance (\$21,241,784) 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 (\$7,661,176), 2) to pay debt service (\$1,800,998), 3) to cover a potential bad debt from a prior capital project (\$1,000,000), 4) to hold for future grant expenditures (\$2,865,115), 5) for long term notes receivable (\$550,000), 6) for perpetual care (\$51,145), for inventory and prepaid items (\$307,784), or, 7) for long term advances to other funds (\$588,618).

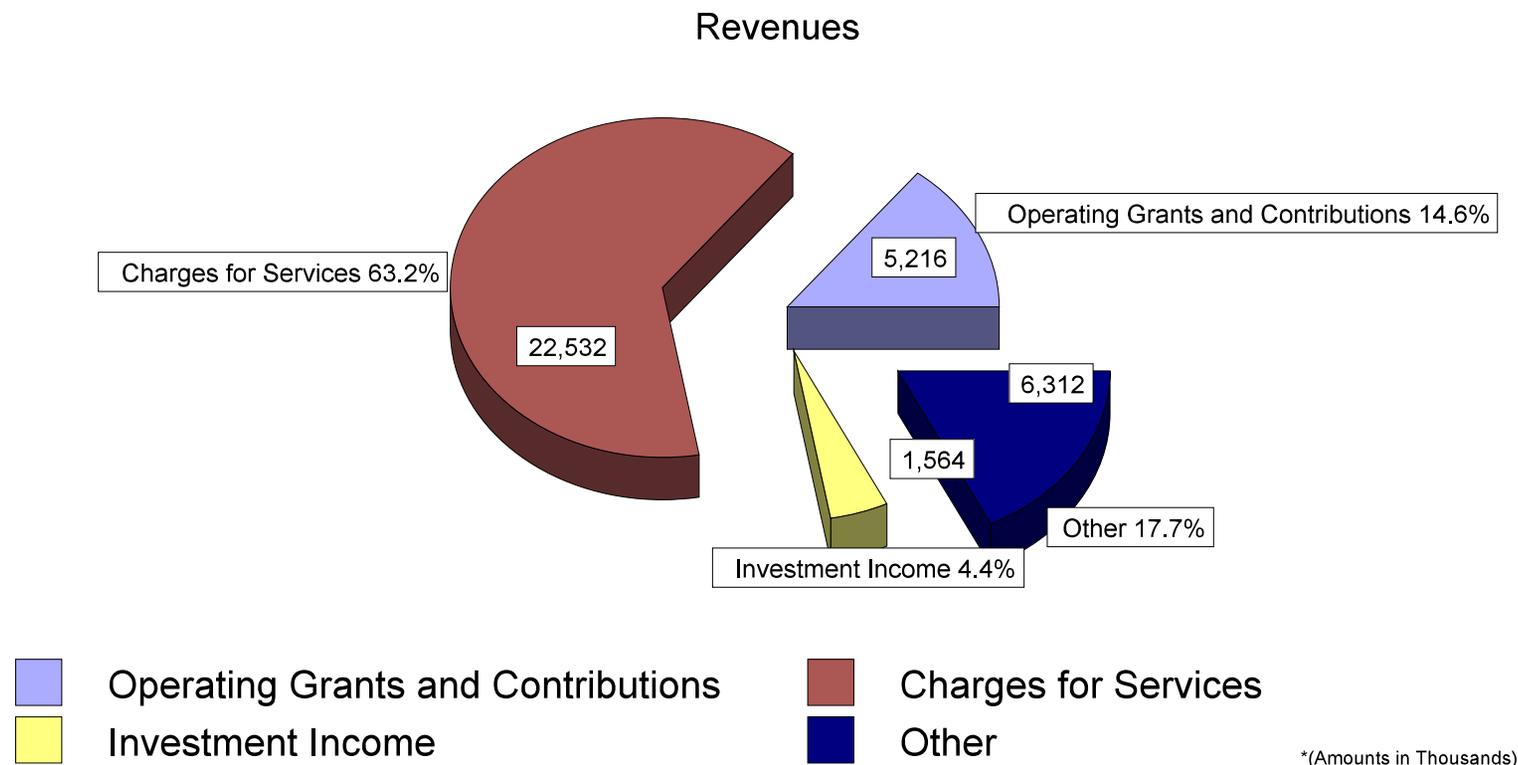
The general fund is the chief operating fund of the County of Muskegon. At the end of the current fiscal year, unreserved fund balance of the general fund was \$8,000,828 while total fund balance was \$8,660,424. As one measure of the general fund's liquidity, it is useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 18% of total general fund expenditures, while total fund balance represents 19% of that same amount. A comparison to prior year percentages show that unreserved balance increased by 1 percent.

Major revenues in the taxes area increased by \$1,826,000 and operating grants increased \$1,711,000 while charges for services increased \$3,657,000. Interest earnings went up \$260,000 with expenses increasing \$2,540,000.

## Expenses and Program Revenues - Business-Type Activities



## Revenues by source - Business-Type activities



The debt service funds have a total fund balance of \$1,800,998, all of which is reserved for debt service payments. The increase in the debt service funds balance of \$215,645 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 \$995,000 for the Whitehall Township water extension.

**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 \$4,395,066, Airport at (\$850,159) and the Solid Waste site at \$0 respectively. The total growth (reduction) in net assets for these three funds was \$2,529,885, \$2,714,968, and (\$786,035), 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 charges for services reflecting the increased cost of doing business.

Budgeted expenditures increased by approximately \$325,000. The largest increase was in general county government for maintenance of building. 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, 2007 amounts to \$202 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 6%.

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

- Continued Runway expansion (\$2,849,000)
- Expansion of a gas methane collection system for industrial use (\$437,000)
- Wastewater equipment replacement and improvements to existing pump stations (\$24,655,000)
- Purchase of new transit buses (\$1,235,000)
- Finalization of telecommunication infrastructure (\$699,000)
- Expansion of the Northside water system (\$2,592,000)
- County building renovations (\$1,582,000)

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2007	2006	2007	2006	2007	2006
Land	\$3,943,938	\$3,934,038	\$19,421,533	\$18,495,551	\$23,365,471	\$22,429,589
Land Improvements	2,957,248	3,132,290	9,218,847	9,704,481	12,176,095	12,836,771
Lagoons	-	-	6,266,879	6,362,187	6,266,879	6,362,187
Buildings & Improvements	47,521,511	47,750,316	16,490,485	16,116,995	64,011,996	63,867,311
Machinery & Equipment	4,305,566	4,218,381	6,821,670	6,180,748	11,127,236	10,399,129
Wastewater collection and distribution system	-	-	58,810,882	50,633,587	58,810,882	50,633,587
Capitalized interest & engineering	-	-	2,905,553	3,177,511	2,905,553	3,177,511
Construction in progress	2,180	657,215	23,403,888	19,625,122	23,406,068	20,282,337
<b>Total</b>	<b>\$58,730,443</b>	<b>\$59,692,240</b>	<b>\$143,339,737</b>	<b>\$130,296,182</b>	<b>\$202,070,180</b>	<b>\$189,988,422</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 \$102,083,839. Of this amount, \$17,365,000 comprises debt backed by the full faith and credit of the County; \$45,238,839 in revenue bonds backed by the County and participating municipalities; \$28,980,000 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>	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$17,365,000	\$18,580,000			\$17,365,000	\$18,580,000
Special Assessment Debt with Governmental Commitment	28,980,000	28,310,000			28,980,000	28,310,000
Revenue Bond			\$45,238,839	\$35,069,017	45,238,839	35,069,017
Delinquent Tax Notes			10,500,000	10,500,000	10,500,000	10,500,000
Total	<u>\$46,345,000</u>	<u>\$46,890,000</u>	<u>\$55,738,839</u>	<u>\$45,569,017</u>	<u>\$102,083,839</u>	<u>\$92,459,017</u>

The County of Muskegon's total debt increased by \$9,624,822 during the current fiscal year. The increase is attributed to normal debt payoffs of \$13,435,000 and the sale of the current year notes and bonds in the amounts of \$9,000,000 and \$14,059,822, 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 2007 ratio was .24% with the bonded debt per capita at \$56.13. In 2006, the ratio is .27% with a bonded debt per capita of \$62.40. 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, 2003 through September, 2007, Muskegon County unemployment rates as compared to national rates were as follows:

	<u>Employment Data</u>							
	<u>2007 County</u>	<u>2007 USA</u>	<u>2006 County</u>	<u>2006 USA</u>	<u>2005 County</u>	<u>2005 USA</u>	<u>2004 County</u>	<u>2004 USA</u>
October	6.1	4.4	5.4	4.9	6.6	5.5	9.7	6.0
November	6.6	4.5	6.2	5.0	7.3	5.4	9.7	5.9
December	6.7	4.5	6.2	4.9	7.5	5.4	9.2	5.7
January	7.3	4.6	6.4	4.7	8.1	5.2	9.5	5.6
February	7.5	4.5	7.1	4.8	8.0	5.4	9.1	5.6
March	7.3	4.4	7.2	4.7	7.5	5.2	9.4	5.7
April	6.9	4.5	6.7	4.7	6.7	5.2	7.5	5.6
May	6.9	4.5	6.0	4.6	7.4	5.1	8.1	5.6
June	7.6	4.5	6.5	4.6	6.9	5.0	8.5	5.6
July	8.0	4.6	7.8	4.8	8.0	4.9	9.2	5.5
August	7.1	4.6	6.9	4.7	6.2	5.1	7.9	5.5
September	<u>7.3</u>	<u>4.7</u>	<u>6.9</u>	<u>4.6</u>	<u>6.1</u>	<u>5.0</u>	<u>7.8</u>	<u>5.4</u>
Average	<u>7.1</u>	<u>4.5</u>	<u>6.6</u>	<u>4.8</u>	<u>7.2</u>	<u>5.2</u>	<u>8.8</u>	<u>5.6</u>

Muskegon County's unemployment rate has decreased compared to 2004. 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 remained stable. Unemployment has dropped below the 2004 level. Several projects and achievements have contributed to the growth and quality of living in Muskegon County. Some of the more significant are:

- Continued to expand our water and sewer system to urban areas to maintain a high quality aquifer for fish and wildlife.
- Built a new emergency operations center for homeland security with up-to-date communications systems.
- Activated a County-wide fiber network to serve police, fire, education, and emergency networks throughout the County.

## 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 [niemiecja@co.muskegon.mi.us](mailto:niemiecja@co.muskegon.mi.us).

**County of Muskegon**

**Statement of Net Assets  
September 30, 2007**

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business - Type Activities	Total	Road Commission
Cash and cash equivalents	\$ 13,007,693	\$ 11,117,122	\$ 24,124,815	\$ 4,889,021
Investments	29,862,789	21,166,771	51,029,560	-
Receivables				
Accounts	3,637,880	3,449,294	7,087,174	-
Intergovernmental	4,606,916	871,843	5,478,759	2,042,614
Accrued interest	668,145	111,516	779,661	-
Current taxes	7,230,109	5,284,524	12,514,633	-
Delinquent taxes	-	4,890,008	4,890,008	-
Interest and penalties on delinquent taxes	-	1,385,148	1,385,148	-
Special assessments	28,607,288	-	28,607,288	-
Other	139,502	-	139,502	146,569
Prepaid Items	307,784	-	307,784	186,968
Prepaid expenses	-	50,584	50,584	-
Internal balances	981,251	(981,251)	-	-
Inventories	-	55,962	55,962	1,026,681
Restricted assets	-	1,435,479	1,435,479	-
Long-term note receivable	4,796,561	-	4,796,561	-
Land	3,943,938	19,421,533	23,365,471	20,828,632
Construction in progress	2,180	23,403,888	23,406,068	-
Capital Assets, net of accumulated depreciation	54,784,325	100,514,316	155,298,641	36,656,165
	<u>\$ 152,576,361</u>	<u>\$ 192,176,737</u>	<u>\$ 344,753,098</u>	<u>\$ 65,776,650</u>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Net Assets  
September 30, 2007*

	Primary Government		Total	Component Unit Road Commission
	Governmental Activities	Business - Type Activities		
<b>LIABILITIES</b>				
Payables				
Accounts	\$ 8,180,705	\$ 2,672,334	\$ 10,853,039	\$ 669,815
Intergovernmental	1,660,922	-	1,660,922	-
Advances	-	-	-	394,471
Accrued liabilities	9,794,411	12,323,833	22,118,244	71,762
Payable from restricted funds				
Accrued interest	-	254,125	254,125	-
Unearned revenue	74,602	-	74,602	156,646
Long-term debt				
Due within one year	7,757,236	12,065,000	19,822,236	417,000
Due in more than one year	49,383,507	43,673,839	93,057,346	1,306,999
Total liabilities	<u>\$ 76,851,383</u>	<u>\$ 70,989,131</u>	<u>\$ 147,840,514</u>	<u>\$ 3,016,693</u>
<b>NET ASSETS</b>				
Investment in capital assets net of related debt	\$40,455,204	\$ 98,080,324	\$ 138,535,528	\$ 56,102,052
Restricted for:				
Special Revenue	3,172,899	-	3,172,899	6,657,905
Closure Costs	-	2,020,478	2,020,478	-
Capital Projects	7,661,176	-	7,661,176	-
Debt Service	1,800,998	-	1,800,998	-
Permanent Fund - expendable	15,988	-	15,988	-
Permanent Fund - nonexpendable	35,157	-	35,157	-
Unrestricted	22,583,556	21,086,804	43,670,360	-
Total Net Assets	<u>\$ 75,724,978</u>	<u>\$ 121,187,606</u>	<u>\$ 196,912,584</u>	<u>\$ 62,759,957</u>

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Activities  
For the Year Ended September 30, 2007

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 Activities			Road Commission
						Governmental	Activities	Total	Com mission
<b>Primary Government:</b>									
<b>Governmental Activities</b>									
Legislative	\$ 435,324	\$ -	\$ -	\$ -	\$ -	(\$ 435,324)	\$ -	(\$ 435,324)	\$ -
Judi cial	8,333,166	3,277,254	126,487	-	3,403,741	(4,929,425)	-	(4,929,425)	-
General Count y Government	27,215,583	6,431,910	6,855,989	-	13,287,899	(13,927,684)	-	(13,927,684)	-
Public Safety	13,442,236	1,045,908	1,883,611	-	2,929,519	(10,512,717)	-	(10,512,717)	-
Health	113,299,974	76,697,631	16,042,467	-	92,740,098	(20,559,876)	-	(20,559,876)	-
Welfare	10,210,348	-	10,088,929	-	10,088,929	(121,419)	-	(121,419)	-
Culture	312,702	-	119,445	-	119,445	(193,257)	-	(193,257)	-
Recreation	826,897	645,002	-	-	645,002	(181,895)	-	(181,895)	-
Other	624,315	1,010,924	111,926	-	1,122,850	498,535	-	498,535	-
<b>Debt Service</b>									
Interest	863,763	-	-	-	-	(863,763)	-	(863,763)	-
Other	142,983	-	-	-	-	(142,983)	-	(142,983)	-
<b>Total Governmental Activities</b>	<b>175,707,291</b>	<b>89,108,629</b>	<b>35,228,854</b>	<b>-</b>	<b>124,337,483</b>	<b>(51,369,808)</b>	<b>-</b>	<b>(51,369,808)</b>	<b>-</b>
<b>Business-Type Activities:</b>									
Solid Waste (5710)	3,599,917	2,404,233	-	-	2,404,233	-	(1,195,684)	(1,195,684)	-
Ai rport (5810)	2,423,439	1,318,821	-	2,423,844	3,742,665	-	1,319,226	1,319,226	-
Wastewater (5920)	14,607,616	13,831,525	683,004	2,110,000	16,624,529	-	2,016,913	2,016,913	-
Ot her Proprietary Funds	6,334,242	4,977,448	4,532,669	1,294,657	10,804,774	-	4,470,532	4,470,532	-
<b>Total Business-Type Activities</b>	<b>26,965,214</b>	<b>22,532,027</b>	<b>5,215,673</b>	<b>5,828,501</b>	<b>33,576,201</b>	<b>-</b>	<b>6,610,987</b>	<b>6,610,987</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 202,672,505</b>	<b>\$ 111,640,656</b>	<b>\$ 40,444,527</b>	<b>\$ 5,828,501</b>	<b>\$ 157,913,684</b>	<b>(51,369,808)</b>	<b>6,610,987</b>	<b>(44,758,821)</b>	<b>-</b>
<b>Component Unit:</b>									
Muskegon Count y Road Com mission	\$13,642,681	\$2,314,764	\$9,413,585	\$3,815,075	\$15,543,424				\$ 1,900,743
<b>General Revenues:</b>									
Property Taxes						36,901,884	-	36,901,884	-
Investment Ear nings						2,505,432	1,563,637	4,069,069	298,022
Gain on Disposal of Assets						-	-	-	56,356
Donations (unrestricted)						1,719,839	-	1,719,839	-
Other						6,426,572	56,933	6,483,505	78,729
Transfers						(427,656)	427,656	-	-
<b>Total General Revenues, Special Items, and Transfers</b>						<b>47,126,071</b>	<b>2,048,226</b>	<b>49,174,297</b>	<b>433,107</b>
<b>Change in Net Assets</b>						<b>(4,243,737)</b>	<b>8,659,213</b>	<b>4,415,476</b>	<b>2,333,850</b>
<b>Net Assets - Beginning of Year</b>						<b>79,968,715</b>	<b>112,528,393</b>	<b>192,497,108</b>	<b>60,426,107</b>
<b>Net Assets - End of Year</b>						<b>\$ 75,724,978</b>	<b>\$ 121,187,606</b>	<b>\$ 196,912,584</b>	<b>\$ 62,759,957</b>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Balance Sheet*

*Governmental Funds*

*September 30, 2007*

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	\$ 1,633,274	\$ 20,668	\$ 16,433	\$ -	\$ 151,704	\$ 8,126,276	\$ 9,948,355
Investments	339,236	2,058,633	2,050,596	-	288,018	15,428,147	20,164,630
Receivables							
Accounts	503,796	330,562	39,893	1,930,226	373,619	435,190	3,613,286
Intergovernmental	530,731	-	-	10,763	-	4,065,422	4,606,916
Accrued interest	585,567	13,996	304	-	1,363	36,001	637,231
Special assessments	-	-	-	-	28,605,000	2,288	28,607,288
Current taxes	7,230,109	-	-	-	-	-	7,230,109
Other	2,477	-	-	137,025	-	-	139,502
Prepaid Items	-	286,236	-	-	-	21,548	307,784
Due from other funds	2,804,143	-	-	-	-	3,500,000	6,304,143
Long-term advances to other funds	588,618	-	-	-	-	-	588,618
Long-term note receivable	-	-	-	-	-	1,550,000	1,550,000
	<u>\$ 14,217,951</u>	<u>\$ 2,710,095</u>	<u>\$ 2,107,226</u>	<u>\$ 2,078,014</u>	<u>\$ 29,419,704</u>	<u>\$ 33,164,872</u>	<u>\$ 83,697,862</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, 2007

	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	\$ 420,591	\$ 168,038	\$ 1,897,865	\$ 276,122	\$ 16,190	\$ 3,891,138	\$ 6,669,944
Intergovernmental	-	219,993	-	-	385,791	1,055,138	1,660,922
Accrued liabilities	1,636,936	702,549	209,361	499,960	250	871,075	3,920,131
Due to other funds	3,500,000	-	-	1,301,932	-	1,502,211	6,304,143
Long-term advances from other funds	-	-	-	-	-	21,500	21,500
Deferre d revenue	-	50,000	-	-	28,980,000	24,602	29,054,602
<b>Total liabilities</b>	<b>\$ 5,557,527</b>	<b>\$ 1,140,580</b>	<b>\$ 2,107,226</b>	<b>\$ 2,078,014</b>	<b>\$ 29,382,231</b>	<b>\$ 7,365,664</b>	<b>\$ 47,631,242</b>
Fund Balances							
Reserved for long-term advances to other funds	\$ 588,618	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 588,618
Reserved for long-term note receivable	-	-	-	-	-	1,550,000	1,550,000
Reserved for prepaids/inventory	-	286,236	-	-	-	21,548	307,784
Unreserved							
Designated for Capital Projects	-	-	-	-	-	7,661,176	7,661,176
Designated for Special Revenue	70,978	1,283,279	-	-	-	1,510,858	2,865,115
Designated for Debt Service	-	-	-	-	37,473	1,763,525	1,800,998
Designated for Permanent Funds - expendable	-	-	-	-	-	15,988	15,988
Designated for Permanent Funds - nonexpendable	-	-	-	-	-	35,157	35,157
Undesignated	8,000,828	-	-	-	-	-	8,000,828
Undesignated - Special Reve nue	-	-	-	-	-	13,240,956	13,240,956
<b>Total Fund Balances</b>	<b>8,660,424</b>	<b>1,569,515</b>	<b>-</b>	<b>-</b>	<b>37,473</b>	<b>25,799,208</b>	<b>36,066,620</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 14,217,951</b>	<b>\$ 2,710,095</b>	<b>\$ 2,107,226</b>	<b>\$ 2,078,014</b>	<b>\$ 29,419,704</b>	<b>\$ 33,164,872</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.	54,610,291
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	9,134,353
Deferre d revenue in Debt Service is recognized on the full accrual basis in the Government Wide Financial Statements	28,980,000
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet	(53,066,286)
Net Assets of Governmental Activities	<u>\$ 75,724,978</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, 2007**

	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	\$ 27,180,891	\$ -	\$ -	\$ -	\$ -	\$ 9,720,993	\$ 36,901,884
Licenses and permits	14,774	-	-	-	-	822,229	837,003
Operating grants and contributions	2,315,929	4,025,428	3,366,705	-	-	25,520,792	35,228,854
Charges for services	9,726,045	12,018,213	49,436,835	11,407,070	1,013	2,862,203	85,451,379
Fines and forfeitures	812,805	-	-	-	-	30,231	843,036
Investment income	1,067,948	190,832	25,277	12	1,810	650,236	1,936,115
Rentals	124,810	-	-	15,591	-	841,810	982,211
Special assessments	-	-	-	-	325,000	-	325,000
Contributions from private sources	-	1,034,103	680,314	20	-	5,402	1,719,839
Other	907,797	246,382	441,250	1,583,106	-	592,705	3,771,240
Total revenues	<u>42,150,999</u>	<u>17,514,958</u>	<u>53,950,381</u>	<u>13,005,799</u>	<u>327,823</u>	<u>41,046,601</u>	<u>167,996,561</u>
<b>Expenditures</b>							
<b>Current operations</b>							
Legislative	435,324	-	-	-	-	-	435,324
Judicial	6,986,989	-	-	-	-	1,307,277	8,294,266
General County government	13,338,386	-	-	-	-	7,236,006	20,574,392
Public safety	10,664,113	-	-	-	-	2,578,409	13,242,522
Health	-	16,868,047	55,098,516	13,797,907	-	27,225,477	112,989,947
Welfare	-	-	-	-	-	10,103,417	10,103,417
Culture	186,706	-	-	-	-	125,381	312,087
Recreation	-	-	-	-	-	614,882	614,882
Other	624,315	-	-	-	-	-	624,315
Capital outlay	45,196	10,439	4,567	-	-	1,645,483	1,705,685
Debt service							
Principal payments	-	-	-	-	325,000	1,215,000	1,540,000
Interest	-	-	-	-	12,249	851,514	863,763
Other	-	-	-	-	-	142,983	142,983
Total expenditures	<u>32,281,029</u>	<u>16,878,486</u>	<u>55,103,083</u>	<u>13,797,907</u>	<u>337,249</u>	<u>53,045,829</u>	<u>171,443,583</u>
Revenues over (under) expenditures	9,869,970	636,472	(1,152,702)	(792,108)	(9,426)	(11,999,228)	(3,447,022)
<b>Other financing sources (uses)</b>							
Sales of Capital Assets	506	-	23,032	-	-	1,436,337	1,459,875
Transfers in	3,869,111	-	1,129,670	792,108	-	11,275,277	17,066,166
Bond Issuance	-	-	-	-	-	995,000	995,000
Transfers (out)	(13,179,544)	(561,086)	-	-	-	(3,753,192)	(17,493,822)
	<u>(9,309,927)</u>	<u>(561,086)</u>	<u>1,152,702</u>	<u>792,108</u>	<u>-</u>	<u>9,953,422</u>	<u>2,027,219</u>
Net change in fund balance	560,043	75,386	-	-	(9,426)	(2,045,806)	(1,419,803)
Fund balance at beginning of year	8,100,381	1,494,129	-	-	46,899	27,845,014	37,486,423
Fund balance at end of year	<u>\$ 8,660,424</u>	<u>\$ 1,569,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,473</u>	<u>\$ 25,799,208</u>	<u>\$ 36,066,620</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, 2007**

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

Net Change in fund balances - total governmental funds	(\$ 1,419,803)
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	(538,217)
The repayment of long term debt consumes current financial resources but does not effect net assets	1,540,000
Loss 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	(73,993)
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	(325,000)
Recognition of special assessment revenue with the issuance of special assessment debt	995,000
The issuance of long term debt provides current financial resources but does not affect net assets	(995,000)
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	20,851
Due from other funds in the General Fund for cash deficits	2,804,143
Due to General Fund in Governmental funds	(2,804,143)
Due to General Fund in Proprietary funds	0
Due from General Fund in Governmental funds	(3,500,000)
Due to other funds in the General Fund	3,500,000
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 Proprietary funds	981,251
Long term advances from Internal Service funds	(981,251)
Internal service funds are used by management to charge the costs of insurance, printing, central facilities, equipment, and risk management to individual funds	
The net revenue of certain activities of internal service funds is reported with governmental activities	<u>(3,447,575)</u>
Change in net assets of governmental activities	<u><u>(\$ 4,243,737)</u></u>

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

County of Muskegon

Statement of Net Assets  
Proprietary Funds  
September 30, 2007

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	\$ 3,735,332	\$ 436,343	\$ 1,784,501	\$ 5,160,946	\$ 11,117,122	\$ 3,059,338
Investments	7,091,718	828,420	3,387,965	9,858,668	21,166,771	9,698,159
Receivables						
Accounts	302,176	131,062	2,538,545	477,511	3,449,294	24,594
Intergovernmental	-	-	-	871,843	871,843	-
Accrued interest	31,182	733	41,748	37,853	111,516	30,914
Current taxes	-	-	-	5,284,524	5,284,524	-
Current portion of interest and penalties on delinquent taxes	-	-	-	788,931	788,931	-
Prepaid expenses	-	-	-	50,584	50,584	-
Inventories	9,759	-	46,203	-	55,962	-
Restricted Assets	1,305,425	-	-	130,054	1,435,479	-
Total current assets	<u>12,475,592</u>	<u>1,396,558</u>	<u>7,798,962</u>	<u>22,660,914</u>	<u>44,332,026</u>	<u>12,813,005</u>
<b>NONCURRENT ASSETS</b>						
Long-term advances to other funds	-	-	-	1,129,964	1,129,964	981,251
Long-term note receivable	-	-	-	-	-	3,246,561
Delinquent taxes	-	-	-	4,890,008	4,890,008	-
Interest and penalties on delinquent taxes	-	-	-	596,217	596,217	-
Property and equipment at cost, net of accumulated depreciation	<u>6,306,703</u>	<u>21,780,848</u>	<u>99,917,856</u>	<u>15,334,330</u>	<u>143,339,737</u>	<u>4,120,152</u>
Total noncurrent assets	<u>6,306,703</u>	<u>21,780,848</u>	<u>99,917,856</u>	<u>21,950,519</u>	<u>149,955,926</u>	<u>8,347,964</u>
Total assets	<u>\$ 18,782,295</u>	<u>\$ 23,177,406</u>	<u>\$ 107,716,818</u>	<u>\$ 44,611,433</u>	<u>\$ 194,287,952</u>	<u>\$ 21,160,969</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, 2007

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 67,423	\$ 53,269	\$ 2,136,272	\$ 415,370	\$ 2,672,334	\$ 1,510,761
Accrued liabilities	121,766	142,582	1,013,499	759,487	2,037,334	5,874,280
Accrued closure costs	10,265,925	-	-	-	10,265,925	-
Accrued interest	-	20,574	-	-	20,574	-
Current portion of tax anticipation notes payable	-	-	-	9,000,000	9,000,000	-
Long-term debt payable in less than one year	-	210,000	2,545,000	310,000	3,065,000	1,642,236
Payable from restricted funds						
Accrued interest	-	-	254,125	-	254,125	-
Total current liabilities	<u>\$ 10,455,114</u>	<u>\$ 426,425</u>	<u>\$ 5,948,896</u>	<u>\$ 10,484,857</u>	<u>\$ 27,315,292</u>	<u>\$ 9,027,277</u>
<b>NONCURRENT LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes payable	-	-	-	1,500,000	1,500,000	-
Land contract payable	-	-	-	-	-	32,067
Long-term advances from other funds	-	2,050,866	-	60,349	2,111,215	567,118
Long-term debt due in more than one year	-	1,255,000	32,953,839	7,965,000	42,173,839	2,400,154
Total noncurrent liabilities	<u>-</u>	<u>3,305,866</u>	<u>32,953,839</u>	<u>9,525,349</u>	<u>45,785,054</u>	<u>2,999,339</u>
Total liabilities	<u>10,455,114</u>	<u>3,732,291</u>	<u>38,902,735</u>	<u>20,010,206</u>	<u>73,100,346</u>	<u>12,026,616</u>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of related debt	6,306,703	20,295,274	64,419,017	7,059,330	98,080,324	3,454,146
Restricted for cell closure	2,020,478	-	-	-	2,020,478	-
Unrestricted	-	(850,159)	4,395,066	17,541,897	21,086,804	5,680,207
Total Net Assets	<u>\$ 8,327,181</u>	<u>\$ 19,445,115</u>	<u>\$ 68,814,083</u>	<u>\$ 24,601,227</u>	<u>\$ 121,187,606</u>	<u>\$ 9,134,353</u>

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, 2007

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>Operating revenues</b>						
Charges for services	\$ 2,404,233	\$ 1,318,821	\$ 12,075,066	\$ 2,718,916	\$ 18,517,036	\$ -
Farm sales	-	-	1,756,459	-	1,756,459	-
Interest and penalties on delinquent taxes	-	-	-	2,258,532	2,258,532	-
Premiums	-	-	-	-	-	15,470,705
Rents	-	-	-	-	-	1,984,797
Other	50	47,702	(32,723)	41,904	56,933	2,582,792
	<u>2,404,283</u>	<u>1,366,523</u>	<u>13,798,802</u>	<u>5,019,352</u>	<u>22,588,960</u>	<u>20,038,294</u>
<b>Operating expenses</b>						
Salaries and fringe benefits	666,740	751,336	3,892,940	2,179,004	7,490,020	1,357,667
Supplies and other operating expenses	2,333,581	914,368	5,487,474	3,056,786	11,792,209	1,872,168
Insurance benefits and claims	-	-	-	-	-	1,250,337
Insurance premiums	-	-	-	-	-	18,330,918
Interest expense	-	-	-	424,438	424,438	199,307
Depreciation and amortization	649,549	639,496	4,111,108	611,368	6,011,521	1,043,336
	<u>3,649,870</u>	<u>2,305,200</u>	<u>13,491,522</u>	<u>6,271,596</u>	<u>25,718,188</u>	<u>24,053,733</u>
Operating income (loss)	<u>(1,245,587)</u>	<u>(938,677)</u>	<u>307,280</u>	<u>(1,252,244)</u>	<u>(3,129,228)</u>	<u>(4,015,439)</u>
<b>Non Operating revenues (expenses)</b>						
Operating subsidies	-	-	683,004	4,532,669	5,215,673	-
Interest income	409,599	3,848	545,695	604,495	1,563,637	569,317
Interest expense	-	(131,819)	(1,040,806)	(424,430)	(1,597,055)	-
Other	49,953	13,580	(75,288)	361,784	350,029	(1,453)
	<u>459,552</u>	<u>(114,391)</u>	<u>112,605</u>	<u>5,074,518</u>	<u>5,532,284</u>	<u>567,864</u>
Income (loss) before operating transfers and capital contributions	<u>(786,035)</u>	<u>(1,053,068)</u>	<u>419,885</u>	<u>3,822,274</u>	<u>2,403,056</u>	<u>(3,447,575)</u>
<b>Capital contributions</b>	-	2,423,844	2,110,000	1,294,657	5,828,501	-
Transfers in	-	1,344,192	-	7,608,661	8,952,853	-
Transfers (out)	-	-	-	(8,525,197)	(8,525,197)	-
	<u>-</u>	<u>3,768,036</u>	<u>2,110,000</u>	<u>378,121</u>	<u>6,256,157</u>	<u>-</u>
Change in Net Assets	<u>(786,035)</u>	<u>2,714,968</u>	<u>2,529,885</u>	<u>4,200,395</u>	<u>8,659,213</u>	<u>(3,447,575)</u>
Net Assets at beginning 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>
Net Assets at end of year	<u>\$ 8,327,181</u>	<u>\$ 19,445,115</u>	<u>\$ 68,814,083</u>	<u>\$ 24,601,227</u>	<u>\$ 121,187,606</u>	<u>\$ 9,134,353</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, 2007

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Activities Internal Service Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers	\$ 2,434,412	\$ 1,400,432	\$ 13,763,617	\$ 4,850,814	\$ 22,449,275	\$ 355,828
Cash Received from other funds	-	-	-	-	-	19,680,554
Cash Payments to Suppliers of Goods and Services	(1,197,588)	(2,529,727)	(7,655,948)	(4,632,207)	(16,015,470)	(20,426,150)
Interest Paid	-	-	-	(433,855)	-	-
Cash Payments to Employees for Services	(672,021)	(726,596)	(3,811,104)	(2,087,307)	(7,297,028)	(1,346,662)
Note Proceeds	-	-	-	9,000,000	9,000,000	-
Tax collections	-	-	-	6,358,028	6,358,028	-
Delinquent tax payments to municipalities	-	-	-	(15,358,028)	(15,358,028)	-
Other receipts	50	47,702	(32,723)	61,179	76,208	-
Net cash provided by (used for) Operating Activities	564,853	(1,808,189)	2,263,842	(2,241,376)	(1,220,870)	(1,736,430)
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances from (to) other funds	36,741	(351,507)	-	32,802	(281,964)	(36,741)
Tax Collections	-	-	-	7,682,510	7,682,510	-
Increase in Investments	-	-	-	(60,349)	(60,349)	-
Operating Subsidies from Grants	-	-	683,004	4,932,669	5,615,673	-
Transfers (out)	-	-	-	(8,525,197)	(8,525,197)	-
Transfers in	-	1,344,192	-	7,608,661	8,952,853	-
Notes payments	-	-	-	(9,000,000)	(9,000,000)	-
Net cash provided by (used for) noncapital financing activities	36,741	992,685	683,004	2,671,096	4,383,526	(36,741)
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Bond and Note Issuance	-	-	12,989,822	-	12,989,822	-
Principal payments on long term debt	-	(200,000)	(2,420,000)	(200,000)	(2,820,000)	(1,488,729)
Principal received (paid) on long term advances	-	-	-	-	-	(125)
Interest expense and agent fees	-	(134,569)	(1,173,029)	(331,508)	(1,639,106)	-
Purchase of capital assets	(387,409)	(12,123)	(6,284,042)	(1,300,542)	(7,984,116)	(1,374,871)
Construction in progress	-	-	(8,467,006)	(2,592,545)	(11,059,551)	655,035
Operating Subsidies	-	-	-	-	-	-
Sale of capital assets	-	-	(75,288)	-	(75,288)	24,634
Capital contributions and grants	-	2,423,844	2,110,000	1,294,658	5,828,502	-
Net cash used for capital and related financing activities	(387,409)	2,077,152	(3,319,543)	(3,129,937)	(4,759,737)	(2,184,056)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Payments received on note receivable	-	-	-	-	-	1,272,364
Proceeds from sales and maturities of investments	6,070,121	-	2,931,351	11,803,985	20,805,457	6,573,063
Purchase of investments	(4,565,520)	(828,420)	(2,181,111)	(7,205,096)	(14,780,147)	(3,739,285)
Interest received from investment pool	499,548	3,115	676,686	750,410	1,929,759	698,905
Net cash provided by investing activities	\$ 2,004,149	(\$ 825,305)	\$ 1,426,926	\$ 5,349,299	\$ 7,955,069	\$ 4,805,047

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, 2007

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 2,218,334	\$ 436,343	\$ 1,054,229	\$ 2,649,082	\$ 6,357,988	\$ 847,820
CASH AND CASH EQUIVALENTS AT BEGINNING 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>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 3,735,332</u></u>	<u><u>\$ 436,343</u></u>	<u><u>\$ 1,784,501</u></u>	<u><u>\$ 5,160,946</u></u>	<u><u>\$ 11,117,122</u></u>	<u><u>\$ 3,059,338</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	<u>(\$ 1,245,587)</u>	<u>(\$ 938,677)</u>	<u>\$ 307,280</u>	<u>(\$ 1,252,244)</u>	<u>(\$ 3,129,228)</u>	<u>(\$ 4,015,439)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	649,549	639,496	4,111,108	611,368	6,011,521	1,043,336
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	30,179	26,422	(70,648)	(126,943)	(140,990)	(1,912)
(Increase) decrease in intergovernmental receivable	-	55,189	2,740	-	57,929	-
(Increase) decrease in inventory	-	-	(16,238)	-	(16,238)	-
Increase (decrease) in accounts payable	(228,650)	(160,767)	(2,152,236)	(1,569,878)	(4,111,531)	947,230
(Increase) decrease in prepaid expenses	-	-	-	19,584	19,584	-
(Increase) decrease in restricted assets	(187,635)	-	-	(5,543)	(193,178)	-
Increase in closure costs	1,552,278	-	-	-	1,552,278	-
Increase (decrease) in due to other funds	-	(1,454,592)	-	-	(1,454,592)	-
Increase (decrease) in accrued liabilities	<u>(5,281)</u>	<u>24,740</u>	<u>81,836</u>	<u>82,280</u>	<u>183,575</u>	<u>290,355</u>
Total adjustments	<u>1,810,440</u>	<u>(869,512)</u>	<u>1,956,562</u>	<u>(989,132)</u>	<u>1,908,358</u>	<u>2,279,009</u>
Net cash provided by operations	<u><u>\$ 564,853</u></u>	<u><u>(\$ 1,808,189)</u></u>	<u><u>\$ 2,263,842</u></u>	<u><u>(\$ 2,241,376)</u></u>	<u><u>(\$ 1,220,870)</u></u>	<u><u>(\$ 1,736,430)</u></u>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Fiduciary Net Assets*

*Fiduciary Funds*

*September 30, 2007*

	<u>Agency Funds</u>	<u>Trust Fund Retirees' Insurance (7330)</u>
<b>ASSETS</b>		
Cash and cash investments	\$ 16,030,165	\$ 314,382
U.S. Government Securities	-	278,792
Accounts receivable	763,325	-
Accrued interest receivable	11,824	1,996
	<u>\$ 16,805,314</u>	<u>\$ 595,170</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 125,777	\$ -
Intergovernmental payable	1,522,389	-
Undistributed current and delinquent taxes	8,063,156	-
Trust deposits	2,351,762	-
Accrued liabilities	176,187	-
Unallocated receipts	4,543,396	-
Fines and Fees due to local municipalities and libraries	22,647	-
	<u>\$ 16,805,314</u>	<u>-</u>
Net Assets		
Held in trust for pension benefits		<u>\$ 595,170</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, 2007***

	<b>Retirees' Insurance (7330)</b>
<b>Additions</b>	
<b>Contributions</b>	
<b>Employer</b>	<b>\$ 1,167,390</b>
<b>Plan members</b>	<b>71,551</b>
<b>Investment earnings</b>	<b>202,855</b>
<b>Total Additions</b>	<b><u>1,441,796</u></b>
<b>Deductions</b>	
<b>Benefits Paid</b>	<b>802,717</b>
<b>Benefits Transferred to Third Party</b>	<b>14,500,000</b>
<b>Expenses</b>	<b>312</b>
<b>Total Deductions</b>	<b><u>15,303,029</u></b>
<b>Change in Net Assets</b>	<b>(13,861,233)</b>
<b>Net Assets - Beginning</b>	<b><u>14,456,403</u></b>
<b>Net Assets - Ending</b>	<b><u><u>\$ 595,170</u></u></b>

The accompanying notes are an integral part of this statement.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2007

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

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

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, 2007

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.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

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, 2007

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, 2007

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, 2007

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 \$6,721,286 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, 2007

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, 2007

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)	\$659,596
Emergency Services (1190)	21,082
Marine Safety (1200)	18,683
Park Fund (2080)	160,950
Health Department (2210)	112,613
Community Mental Health (2220)	1,569,515
Accommodations Tax (2300)	84,490
Deed Automation Fund (2560)	696,310
TNT Drug (2671)	60,892
Prosecutor Drug (2672)	27,520
Crime Victims' Rights (2800)	899

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

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

l) Fund Balance Reserves and Designations - continued

General and Special Revenue - continued

EDC Loan Revolving (2860)	295,007
Rambusch-Fuchs CDBG Grant (2873)	3,549
Mental Health Buildings (2970)	778
Victim Restitution (2980)	<u>49,633</u>
	<u>\$3,761,517</u>

Debt Service

Designated for debt service	<u>\$1,800,998</u>
-----------------------------	--------------------

Capital Projects

Muskegon/Egelston/Dalton Sewer (4641)	\$920,139
Whitehall Township Water (4645)	102,249
Future capital projects (4930) (4960)	6,245,929
Long-term Note Receivable (4930) (4960)	1,550,000
Capital improvements designated for drain projects (8010)	<u>392,859</u>
	<u>\$9,211,176</u>

Permanent Funds

Designated for perpetual care (1500) (1550)	<u>\$51,145</u>
---	-----------------

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2007

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, 2007

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, 2007

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 2007), 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 2007, the county's indirect cost rate was 11.6863% 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, 2007

NOTE 3 - CASH, CASH EQUIVALENTS AND TEMPORARY INVESTMENTS

Cash equivalents are short-term, highly liquid investments whose original maturity is 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, 2007, \$41,166,079 of the County's bank balances of \$41,536,007 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized                      \$41,166,079

Investments

At September 30, 2007, the County had the following investments:

Treasury Bills	\$24,810,517
Certificates of Deposit	16,000,000
Commercial Paper	<u>10,219,043</u>
Total	<u>\$51,029,560</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

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
UBS	963,894	5.030%	12/28/2007
UBS	979,090	5.110%	10/22/2007
UBS	1,461,168	5.200%	02/28/2008
UBS	1,460,946	5.290%	03/11/2008

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS -CONTINUED

September 30, 2007

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

Company Name	Amount purchased	Interest Rate	Due Date
UBS	1,473,058	5.400%	01/11/2008
National City	973,523	5.200%	11/19/2007
National City	1,444,725	5.140%	05/23/2008
National City	1,462,638	5.030%	03/20/2008

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, 2007.

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.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED

September 30, 2007

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 \$53,066,286 difference are as follows:

Special Assessment bonds	\$28,980,000
General Obligation bonds	11,355,000
Building Authority bonds	6,010,000
Compensated absences	<u>6,721,286</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$53,066,286</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED

September 30, 2007

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 (\$538,217) difference are as follows:

Capital Outlay	\$3,056,649
Construction in progress changes	(657,215)
Internal Service asset purchases	(717,656)
Trade Ins	23,907
Internal Service depreciation	1,043,336
Depreciation Expense as presented for Governmental Activities	<u>(3,287,238)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>(\$538,217)</u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED  
September 30, 2007

NOTE 6 - CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2007 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	\$9,900	\$ -	\$3,943,938
Construction in progress	<u>657,215</u>	<u>2,180</u>	<u>657,215</u>	<u>2,180</u>
	<u>4,591,253</u>	<u>12,080</u>	<u>657,215</u>	<u>3,946,118</u>
Capital assets being depreciated:				
Land Improvements	4,477,457	-	-	4,477,457
Buildings and Improvements	68,786,891	1,397,768	232,096	69,952,563
Machinery and Equipment	<u>18,536,030</u>	<u>1,646,801</u>	<u>1,166,326</u>	<u>19,016,505</u>
Total assets being depreciated	<u>91,800,378</u>	<u>3,044,569</u>	<u>1,398,422</u>	<u>93,446,525</u>
Less accumulated depreciation for:				
Land Improvements	(1,345,167)	(175,042)	-	(1,520,209)
Buildings and Improvements	(21,036,574)	(1,610,684)	(216,206)	(22,431,052)
Machinery and Equipment	<u>(14,317,650)</u>	<u>(1,501,512)</u>	<u>(1,108,223)</u>	<u>(14,710,939)</u>
Total accumulated depreciation	<u>(36,699,391)</u>	<u>(3,287,238)</u>	<u>(1,324,429)</u>	<u>(38,662,200)</u>
Total capital assets being depreciated,	<u>55,100,987</u>	<u>(242,669)</u>	<u>73,993</u>	<u>54,784,325</u>
 Governmental activities-capital assets,	 <u>\$59,692,240</u>	 <u>(\$230,589)</u>	 <u>\$731,208</u>	 <u>\$58,730,443</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

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	\$18,495,551	\$925,982	-	\$19,421,533
Construction in progress	<u>19,625,122</u>	<u>11,913,000</u>	<u>8,134,234</u>	<u>23,403,888</u>
Total capital assets not being depreciated	<u>38,120,673</u>	<u>12,838,982</u>	<u>8,134,234</u>	<u>42,825,421</u>
Capital assets being depreciated:				
Land Improvements	22,391,332	86,099	-	22,477,431
Buildings and Improvements	26,159,997	1,240,331	225,479	27,174,849
Machinery and Equipment	17,819,964	1,791,790	95,623	19,516,131
Lagoons	9,517,671	-	-	9,517,671
W/W collection and distribution	93,704,008	11,361,609	1,128,281	103,937,336
Capitalized interest and engineering	<u>7,381,808</u>	<u>-</u>	<u>9,316</u>	<u>7,372,492</u>
Total assets being depreciated	<u>176,974,780</u>	<u>14,479,829</u>	<u>1,458,699</u>	<u>189,995,910</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

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	(12,686,851)	(571,733)		(13,258,584)
Buildings and Improvements	(10,043,002)	(811,684)	(170,322)	(10,684,364)
Machinery and Equipment	(11,639,216)	(1,193,806)	(138,561)	(12,694,461)
Lagoons	(3,155,484)	(95,308)	-	(3,250,792)
W/W collection and distribution	(43,070,421)	(3,070,412)	(1,014,379)	(45,126,454)
Capitalized interest and engineering	<u>(4,204,297)</u>	<u>(268,578)</u>	<u>(5,936)</u>	<u>(4,466,939)</u>
Total accumulated depreciation	<u>(84,799,271)</u>	<u>(6,011,521)</u>	<u>(1,329,198)</u>	<u>(89,481,594)</u>
Total business-type assets being depreciated, net	<u>92,175,509</u>	<u>8,468,308</u>	<u>129,501</u>	<u>100,514,316</u>
Business-type activities-capital assets, net	<u><u>\$130,296,182</u></u>	<u><u>\$21,307,290</u></u>	<u><u>\$8,263,735</u></u>	<u><u>\$143,339,737</u></u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 6 - CAPITAL ASSETS - Continued

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

Governmental activities:

Judicial	\$38,900
General County Government	2,419,036
Public Safety	199,714
Health	310,027
Welfare	106,931
Culture	615
Recreation	<u>212,015</u>
Total Depreciation Expense - Governmental activities	<u>\$3,287,238</u>

Business-type Activities

Solid Waste	\$649,549
Airport	639,496
Wastewater	4,111,108
Other Proprietary Funds	<u>611,368</u>
Total Depreciation Expense - business-type activities	<u>\$6,011,521</u>

In accordance with the reporting under GASB Statement 42, the County has no impairment of capital assets for the year ended September 30, 2007.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 7 - LONG-TERM DEBT

Change in Long-term debt of the county for the year ended September 30, 2007 was as follows:

	<u>Balance October 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2007</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 2008 to \$250,000 in 2020 with interest from 4.7% to 5.125% (8715) (Issued \$2,680,000)	\$2,430,000	\$ -	(\$100,000)	\$2,330,000	\$100,000
Series II - payable in increasing annual installments ranging from \$275,000 in 2008 to \$550,000 in 2020 with interest from 4.75% to 6.75% (8718) (Issued \$6,500,000)	5,300,000		(225,000)	5,075,000	275,000
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, 2007

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2007</u>	<u>Due within one year</u>
<u>Governmental Activities - continued</u>					
<b>Special Assessment with Gov. commitment (continued)</b>					
Whitehall Township Water Bond - payable in increasing annual installments ranging from \$55,000 in 2009 to \$85,000 in 2021 with interest from 4.0% to 4.3% (8845) (Issued \$995,000)		995,000		995,000	
<b>General Obligation Bond:</b>					
Quality of Life Project Bond (Refunded)-payable in increasing annual installments ranging from \$925,000 in 2008 to \$1,505,000 in 2016 with interest from 4.1% to 4.85%. (3111) (Issued \$14,000,000)	12,205,000		(850,000)	11,355,000	925,000
<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	175,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2007</u>	<u>Due within one year</u>
<u>Governmental Activities - continued</u>					
<b>Building Authority Bonds (continued):</b>					
Muskegon County Health Center Bonds -paid off in 2007 (3143) (Issued \$1,255,000)	140,000		(140,000)	0	
Muskegon County Hall of Justice Bonds-payable in increasing annual installments ranging from \$240,000 in 2008 to \$520,000 in 2022 with interest from 4.25% to 5.0% (3130) (Issued \$6,500,000)	<u>5,710,000</u>	<u>          </u>	<u>(225,000)</u>	<u>5,485,000</u>	<u>240,000</u>
Total Bonds Payable	<u>46,890,000</u>	<u>995,000</u>	<u>(1,540,000)</u>	<u>46,345,000</u>	<u>1,715,000</u>
Land contract payable in monthly installments of \$3,033.20 including interest at 8% until August 2009 (6660) (Issued \$ 250,000)	94,406		(29,928)	64,478	32,411
Installment note Payable in 60 monthly principal installments of \$27,771 plus interest at 4.12% until June 2009 (6660)	919,712		(295,995)	623,717	333,252

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2007</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
Installment note Payable in 60 monthly principal installments of \$44,100 plus interest at 3.34% until December 2008 (6660)	1,336,719		(533,398)	803,321	587,292
Installment note Payable in 60 monthly installments of \$32,789 plus interest at 5.32% until June 2011 (6660)	2,101,633		(364,453)	1,737,180	416,112
Installment note Payable in 5 annual installments of \$299,369 until November 2009 at 3.10% interest. (6660)	1,110,716		(264,955)	845,761	273,169
Sick leave and annual time payable as used or upon retirement or termination. (See Note 1(h) for limitations on payoff)(1010)	<u>6,742,137</u>	<u>4,375,210</u>	<u>(4,396,061)</u>	<u>6,721,286</u>	<u>4,400,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$59,195,323</u>	<u>\$5,370,210</u>	<u>(\$7,424,790)</u>	<u>\$57,140,743</u>	<u>\$7,757,236</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2007</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 2008 to \$485,000 in 2038 with interest from 4.375% to 5.125%. (5910) (Issued \$7,900,000)	\$7,900,000	\$ -	\$ -	\$7,900,000	\$120,000
Wastewater Bond - payable in increasing annual installments ranging from \$455,000 in 2008 to \$850,000 in 2026 with interest from 4.125% to 5.00% (5935) (Issued \$17,000,000)	16,065,000		(310,000)	15,755,000	455,000
Wastewater Bond - payable at \$2,090,000 in 2008 with interest at 5.00% (5936) (Issued \$6,990,000)	4,200,000		(2,110,000)	2,090,000	2,090,000
Wastewater Bond - payable in increasing annual installments ranging from \$745,000 in 2009 to \$1,015,000 in 2027 with interest at 1.625% (5937) (Issued \$15,928,839)	4,664,017	11,264,822		15,928,839	

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2007</u>	<u>Due within one year</u>
<u>Business-Type Activities</u> (continued)					
Bonds Payable					
<b>Revenue Bonds (continued):</b>					
Wastewater Bond - payable in increasing annual installments ranging from \$75,000 in 2008 to \$105,000 in 2028 with interest at 1.625% (5939) (Issued \$1,800,000)		1,800,000	(75,000)	1,725,000	
<b>Building Authority Bonds:</b>					
Muskegon County Fairgrounds - (Refunded) payable in decreasing annual installments to \$190,000 in 2008 to \$185,000 in 2009 with interest from 6.20% to 6.25% (5083) (Issued \$1,985,000)	575,000		(200,000)	375,000	190,000
Muskegon County Airport Terminal - payable in increasing annual installments ranging from \$210,000 in 2008 to \$280,000 in 2013 with interest from 5.60% to 5.625% (5810) (Issued \$2,995,000)	<u>1,665,000</u>		<u>(200,000)</u>	<u>1,465,000</u>	<u>210,000</u>
Total Bonds Payable	35,069,017	13,064,822	(2,895,000)	45,238,839	3,065,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2007</u>	<u>Due within one year</u>
<b>General Obligation Tax Notes</b>					
2004 - payable in full in 2007. (5164) (Issued \$9,000,000)	1,500,000		(1,500,000)	0	
2005 - payable at \$1,500,000 in 2008 with interest at 5.50% (5165) (Issued \$9,000,000)	9,000,000		(7,500,000)	1,500,000	1,500,000
2006 - payable in annual installments of \$7,500,000 in 2008 and \$1,500,000 in 2009 with interest at 5.35% (5166) (Issued \$9,000,000)	<u>                    </u>	<u>9,000,000</u>	<u>                    </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>\$45,569,017</u>	<u>\$22,064,822</u>	<u>(\$11,895,000)</u>	<u>\$55,738,839</u>	<u>\$12,065,000</u>
Total all long-term liabilities	<u>\$104,764,340</u>	<u>\$27,435,032</u>	<u>(\$19,319,790)</u>	<u>\$112,879,582</u>	<u>\$19,822,236</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 7 - LONG-TERM DEBT - Continued

The special assessment bonds were issued by the county pursuant to contracts entered into with the City of Norton Shores, Egelston, Muskegon, Dalton, Fruitport and Whitehall 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 (\$20,158,300 at September 30, 2007) and the full faith and credit of the county.

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.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 7 - LONG TERM DEBT - Continued

The total requirement for payment of principal and interest amount to \$112,879,582 and \$46,010,386, respectively, at September 30, 2007 as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008-2012	\$22,200,743	\$10,762,356	\$23,090,000	\$7,819,846
2013-2017	13,450,000	6,686,882	10,035,000	5,146,378
2018-2022	8,005,000	4,073,354	10,390,000	3,501,028
2023-2027	3,820,000	2,829,800	8,598,839	1,741,085
2028-2032	4,835,000	1,878,094	1,820,000	721,044
2033-2036	<u>4,830,000</u>	<u>615,319</u>	<u>1,805,000</u>	<u>235,200</u>
Total	<u>\$57,140,743</u>	<u>\$26,845,805</u>	<u>\$55,738,839</u>	<u>\$19,164,581</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 7 - LONG-TERM DEBT - Continued

Combined schedule of annual principal requirements for bonded debt outstanding at September 30, 2007

<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>	
2008	375,000	925,000	415,000	3,620,000	400,000	9,000,000	
2009	810,000	1,005,000	430,000	1,825,000	410,000	1,500,000	
2010	875,000	1,095,000	445,000	1,840,000	235,000		
2011	920,000	1,185,000	285,000	1,860,000	250,000		
2012	990,000	1,285,000	300,000	1,885,000	265,000		34,430,000
2013	1,070,000	1,395,000	320,000	1,905,000	280,000		
2014	1,105,000	1,460,000	335,000	1,930,000			
2015	1,155,000	1,500,000	355,000	1,945,000			
2016	1,205,000	1,505,000	375,000	1,975,000			
2017	1,255,000		400,000	2,000,000			23,470,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

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>	
2018	1,335,000		420,000	2,025,000			
2019	1,440,000		445,000	2,055,000			
2020	1,490,000		470,000	2,075,000			
2021	720,000		495,000	2,100,000			
2022	750,000		520,000	2,135,000			18,475,000
2023	695,000			2,165,000			
2024	730,000			2,195,000			
2025	760,000			2,225,000			
2026	800,000			1,698,839			
2027	835,000			315,000			12,418,839

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 7 - LONG TERM DEBT - Continued

Year	Governmental Activities			Business-type Activities			Principal due every five years
	<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>	
2028	875,000			330,000			
2029	920,000			345,000			
2030	965,000			365,000			
2031	1,010,000			380,000			
2032	1,065,000			400,000			6,655,000
2033	1,115,000			420,000			
2034	1,175,000			440,000			
2035	1,235,000			460,000			
2036	1,305,000			485,000			6,635,000
Total all years	<u>\$28,980,000</u>	<u>\$11,355,000</u>	<u>\$6,010,000</u>	<u>\$43,398,839</u>	<u>\$1,840,000</u>	<u>\$10,500,000</u>	<u>\$102,083,839</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2007

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>\$1,800,998</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 2007, the County's annual pension cost was \$4,443,159 with the full amount being paid. The required contribution was determined as part of the December 31, 2005 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, 2007

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>
12/31/05	3,735	100%	0
12/31/06	4,211	100%	0
12/31/07	4,443	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)
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%
2006	150,499,461	175,250,444	86%	24,750,983	46,303,903	53%

NOTE 9 - LEASES

The County leases certain office space and equipment under operating leases, which expire on various dates through 2007, with aggregate minimum monthly rentals of \$3,602. Rental expense under operating leases was \$773,052 for the year ended September 30, 2007.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

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)	\$2,804,143	General Fund (1010)	\$3,500,000
Revenue Sharing Reserve(2850)	3,500,000	Co-Op Reimb. Pros. (1150)	12,128
		Sobriety Court (1170)	3,074
		Marine Safety (1200)	52,053
		Highway Safety Programs (1210)	79,860
		Prosecutor Family Court (2140)	4
		Family Court (2150)	63,421
		Accommodations Tax (2300)	753
		Community Corrections (2640)	75,828
		Project Cornerstone (2650)	229
		WIRED (2730)	36,426
		Wagner-Peyser (2731)	13,677
		TAA/NAFTA (2733)	51,912

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

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

<u>Fund</u>	Interfund <u>Receivable</u>	<u>Fund</u>	Interfund <u>Payable</u>
		Michigan Prisoner Re-entry (2734)	150,626
		WIA Admin Pool (2760)	272,269
		WIA Adult Program (2761)	1,668
		WIA Youth Program (2762)	92,477
		WIA Youth Statewide (2766)	891
		WIA Service Center Operations (2767)	1,948
		Crime Victim's Rights (2800)	29,181
		Berry Junction Bike Trail (2825)	3,268
		Downtown Redevelopment Project (2876)	5,041
		Digital Divide Investment Program (2881)	827
		Brookhaven (2900)	1,301,932
		Child Care Facility (2920)	539,882
		Veterans Trust (2940)	<u>14,768</u>
	<u>\$6,304,143</u>		<u>\$6,304,143</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, 2007

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)	\$3,869,111	\$13,179,544
Co-Op Reimb.-Pros. (1150)	118,053	
Emergency Services (1190)	231,232	
Marine Safety (1200)	72,012	
Township Patrols (1240)	118,518	
Prosecutor Family Court (2140)	175,027	
Family Court (2150)	1,795,244	
Family Court Re-Entry Initiative (2152)		200,494
Health Department (2210)	1,866,925	
Community Mental Health (2220)		561,086
Managed Care (2222)	1,129,670	
Accommodations Tax (2300)		106,595
Parks Development (2411)		24,034

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

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)	100,000	
Law Library (2610)	28,877	
Community Corrections (2640)	336,710	
Project Cornerstone (2650)	38,121	
Crime Victim's Rights (2800)	6,803	
Juv. Account. Incent. BG (2831)	44,220	
Facility Master Plan (2840)	208,974	
Revenue Sharing Reserve (2850)		3,156,503
Remonumentation Prog. (2890)	5,461	
Brookhaven (2900)	792,108	
Social Services (2910)	9,821	
Child Care Facility (2920)	3,382,440	
Hall of Justice (3130)	488,923	
Heritage Landing (4180)		42,114
Public Improvement (4930)	2,199,505	223,452
Drain Project (8010)	48,411	
Subtotal Governmental	<u>17,066,166</u>	<u>17,493,822</u>
Fairgrounds Operations (5083)	194,580	
Tax Forfeitures (5110)		15,325
Delinquent Tax Revolving (5164)		7,374,722

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2007

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 (5165)	7,398,756	1,135,150
Muskegon County Land Bank (5500)	15,325	
Muskegon County Airport (5810)	1,329,714	
Muskegon Co. Airport capital contributions (5810)	<u>14,478</u>	
Subtotal Proprietary	<u>8,952,853</u>	<u>8,525,197</u>
Total all fund	<u>\$26,019,019</u>	<u>\$26,019,019</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)	\$7,816,423	\$9,455,247
Law Library (2610)	34,932	35,792
Project Cornerstone (2650)	88,379	88,689
WIRED (2730)	170,000	391,848
Wagner Peyser (2731)	335,646	338,182
TAA/NAFTA (2733)	849,914	1,425,124
WIA Admin Pool (2760)	412,866	425,137
WIA Adult Program (2761)	870,030	943,301
WIA Dislocated Worker (2763)	690,622	925,272
Strategic Planning (2765)	0	854
WIA Youth Statewide (2766)	10,717	10,952
Juv. Accountability Incentive Block Grant (2831)	51,473	51,566
Digital Divide Investment Program (2881)	0	1,358,372
Mental Health Buildings (2970)	321,124	327,211

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2007

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>
Quality of Life (3111)	1,398,993	1,399,015
Halmond Center Debt (3142)	170,747	171,197

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	
Tax Forfeitures (5110)	60,349	
Muskegon County Land Bank (5500)		\$60,349
Delinquent Tax Revolving (5165)	1,069,615	
Muskegon County Airport (5810)		\$2,050,865
Drain Revolving (6010)		21,500
Equipment Revolving (6660)		567,118
Insurance (6770)	<u>981,250</u>	
	<u>\$2,699,832</u>	<u>\$2,699,832</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, 2007

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 POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The County of Muskegon has a defined benefit postemployment healthcare plan for its employees that provides health and dental benefits to its retired employees and beneficiaries that commenced on October 1, 2006. The plan is administered by the Municipal Employees Retirement System (MERS), an agent multiple employer postemployment healthcare plan. 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

Retired employees are required to contribute from 0-100% of the monthly medical and dental premiums based on their eligible years of service at time of retirement. Retired employees pay the full cost for spousal or family coverage. The County is required to contribute the annual required contribution of the employer (ARC) at an actuarially determined rate as required by the parameters within GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) over a period not to exceed 30 years. The current ARC rate is 12.7% 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.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2007

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - continued

Annual OPEB Cost

For 2007, the County's annual OPEB cost was \$7,044,700 with the full amount being paid. The required contribution was determined as part of the December 31, 2005 actuarial valuation, using the entry age normal actuarial cost method. The actuarial assumptions include: a) 7% Investment Rate of Return (net of administrative expenses) and b) projected salary increases of 4.8-12.9% per year. The actuarial value of the County OPEB 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. The net OPEB obligation for 2007 was as follows:

	Trend Information (Dollar Amounts in Thousands)		
<u>Ending</u>	<u>OPEB Cost (ARC)</u>	<u>of ARC Contributed</u>	<u>Obligation</u>
12/31/07	7,045	100%	0

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2007

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Funding status and funding progress

The funded status of the plan as of December 31, 2005 was as follows:

Analysis of Funding Progress

Valuation Date	(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)
December 31 2005	13,842,778	90,915,056	15%	77,072,278	44,152,941	175%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employees, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2007

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2005, actuarial valuation, the entry normal age actuarial cost method was used. The actuarial assumptions included a 7 percent investment rate of return (net of administrative costs) and an annual healthcare cost trend of 12% initially, reduced by decrements to an ultimate rate of 4.5 percent after 10 years. Both rates include a 4.5 percent inflation assumption. The actuarial value of OPEB assets was determined using the initial cash funding as an estimate provided by the County as the amount that would be transferred at inception. Actual cash transfer was \$14,500,000. The MERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at September 30, 2007 is 29 years.

A separate trust fund is still being maintained until final transfer of funds for our new district library. During the year through December 31, 2006, expenditures of \$802,717 were recognized for post-retirement health care. The amount of net assets available in the trust fund for future benefit payments or transfer to the District Library was \$595,170 as of September 30, 2007.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

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, 2007 was \$3,559,813. The claim's liability of \$5,515,428 reported in the fund at September 30, 2007, 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.

Changes in the funds claims liability amount in fiscal 2006 and 2007 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
2007	5,462,832	12,744,394	(12,691,798)	5,515,428

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

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 \$10.3 million reported as landfill closure and post-closure care liability at September 30, 2007 represents the cumulative amount reported to date based on the use of 58 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 2007. 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
2007	\$8,713,647	\$1,552,278	\$10,265,925

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, 2007. 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.

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2007

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 \$4,952,643 and the bank balance was \$5,052,643. Of the bank balance, \$100,000 was covered by federal depository insurance and \$4,952,643 was exposed to custodial credit risk as it was uninsured and uncollateralized.

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2007

NOTE 15 - DISCRETE ENTITY NOTES - Continued

c) Capital Assets

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

	Balance October 1, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2007</u>
Capital Assets not being depreciated				
Land and improvements	\$20,167,237	\$661,395	\$ -	\$20,828,632
Construction in progress	<u>200,457</u>	<u>-</u>	<u>200,457</u>	<u>-</u>
Total Capital Assets not being depreciated	<u>20,367,694</u>	<u>661,395</u>	<u>200,457</u>	<u>20,828,632</u>
Capital Assets being depreciated				
Buildings and improvements	3,896,421	17,269	-	3,913,690
Road equipment	8,969,708	540,765	501,265	9,009,208
Other equipment	2,959,727	180,640	194,540	2,945,827
Infrastructure and improvements	<u>57,364,812</u>	<u>4,328,699</u>	<u>4,209,736</u>	<u>57,483,775</u>
Total capital assets depreciated	73,190,668	5,067,373	4,905,541	73,352,500
Less accumulated depreciation for:				
Buildings and improvements	(2,176,721)	(134,436)	-	(2,311,157)
Road equipment	(7,409,084)	(696,705)	(500,287)	(7,605,502)
Other equipment	(1,627,008)	(116,326)	(193,132)	(1,550,202)
Infrastructure and improvements	<u>(26,943,541)</u>	<u>(2,495,669)</u>	<u>(4,209,736)</u>	<u>(25,229,474)</u>
Total accumulated depreciation	<u>(38,156,354)</u>	<u>(3,443,136)</u>	<u>(4,903,155)</u>	<u>(36,696,335)</u>
Total capital assets, being depreciated, net	<u>35,034,314</u>	<u>1,624,237</u>	<u>2,386</u>	<u>36,656,165</u>
Capital Assets, net	<u>\$55,402,008</u>	<u>\$2,285,632</u>	<u>\$202,843</u>	<u>\$57,484,797</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

NOTE 15 - DISCRETE ENTITY NOTES - Continued

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

Primary road	\$ 2,487,381
Local Road	812,885
State trunkline	110,482
Administrative	32,388
Total depreciation expense	<u>\$ 3,443,13</u>

(e) LONG-TERM DEBT

Long-term debt consisted of the following as of September 30, 2007:

\$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).

\$1,407,877

Long Term Compensated Absences

316,122

Total governmental activities long-term liabilities

\$1,723,999

A summary of bonds and loans and long-term compensated absences transactions for the year ended September 30, 2007 follows:

Balance at beginning of year	\$1,925,062
Additions	423,479
Deductions	<u>(624,542)</u>
Balance at end of year	<u>\$1,723,999</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2007

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 :	\$1,705,685
Adjustments	
Trade Ins	(23,907)
Construction in progress changes	657,215
Internal Service purchases	<u>717,656</u>
Net Assets capitalized	<u>\$3,056,649</u>

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, 2007

	General Fund - 1010				Community Mental Health - 2220			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>								
Taxes	\$ 26,977,698	\$ 27,169,515	\$ 27,180,891	\$ 11,376	\$ -	\$ -	\$ -	\$ -
Licenses and permits	20,000	16,000	14,774	(1,226)	-	-	-	-
Operating grants and contributions	2,267,296	2,293,042	2,315,929	22,887	3,745,628	3,721,403	4,025,428	304,025
Charges for services	8,859,490	9,691,487	9,726,045	34,558	14,836,298	12,796,476	12,018,213	(778,263)
Fines and forfeitures	787,170	781,377	812,805	31,428	-	-	-	-
Investment income	806,962	1,036,021	1,067,948	31,927	141,300	163,800	190,832	27,032
Rentals	142,610	126,568	124,810	(1,758)	-	-	-	-
Contributions from private sources	-	-	-	-	1,062,800	656,900	1,034,103	377,203
Other	926,610	881,939	907,797	25,858	377,704	281,841	246,382	(35,459)
Total revenues	40,787,836	41,995,949	42,150,999	155,050	20,163,730	17,620,420	17,514,958	(105,462)
<b>Expenditures</b>								
<b>Current operations</b>								
Legislative	424,816	435,130	435,324	(194)	-	-	-	-
Judicial	7,298,768	7,330,059	6,986,989	343,070	-	-	-	-
General County government	13,469,280	13,768,062	13,338,386	429,676	-	-	-	-
Public safety	10,965,319	10,831,171	10,664,113	167,058	-	-	-	-
Health	-	-	-	-	19,945,267	17,373,760	16,868,047	505,713
Welfare	-	-	-	-	-	-	-	-
Culture	154,038	197,402	186,706	10,696	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	586,415	643,331	624,315	19,016	-	-	-	-
Capital outlay	34,223	51,889	45,196	6,693	76,500	78,250	10,439	67,811
Total expenditures	32,932,859	33,257,044	32,281,029	976,015	20,021,767	17,452,010	16,878,486	573,524
Revenues over (under) expenditures	7,854,977	8,738,905	9,869,970	1,131,065	141,963	168,410	636,472	468,062
<b>Other financing sources (uses)</b>								
Sales of capital Assets	-	106	506	400	-	-	-	-
Transfers in	4,317,383	4,516,013	3,869,111	(646,902)	-	-	-	-
Transfers (out)	(12,562,419)	(13,255,024)	(13,179,544)	75,480	(141,963)	(168,410)	(561,086)	(392,676)
	(8,245,036)	(8,738,905)	(9,309,927)	(571,022)	(141,963)	(168,410)	(561,086)	(392,676)
NET CHANGE IN FUND BALANCE	(390,059)	-	560,043	560,043	-	-	75,386	75,386
Fund balance at beginning of year	8,100,381	8,100,381	8,100,381	-	1,494,129	1,494,129	1,494,129	-
Fund balance at end of year	\$ 7,710,322	\$ 8,100,381	\$ 8,660,424	\$ 560,043	\$ 1,494,129	\$ 1,494,129	\$ 1,569,515	\$ 75,386

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, 2007

	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	4,007,494	3,519,394	3,366,705	(152,689)	-	-	-	-
Charges for services	45,168,344	48,209,840	49,436,835	1,226,995	12,502,433	11,340,925	11,407,070	66,145
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	40,359	40,359	25,277	(15,082)	-	100	12	(88)
Rentals	-	-	-	-	19,200	19,200	15,591	(3,609)
Contributions from private sources	726,456	922,556	680,314	(242,242)	-	-	20	20
Other	586,880	693,494	441,250	(252,244)	167,986	1,587,651	1,583,106	(4,545)
Total revenues	50,529,533	53,385,643	53,950,381	564,738	12,689,619	12,947,876	13,005,799	57,923
<b>Expenditures</b>								
<b>Current operations</b>								
Legislative	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Health	51,211,206	54,419,097	55,098,516	(679,419)	12,689,619	13,584,669	13,797,907	(213,238)
Welfare	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Capital outlay	39,500	41,000	4,567	36,433	-	-	-	-
Total expenditures	51,250,706	54,460,097	55,103,083	(642,986)	12,689,619	13,584,669	13,797,907	(213,238)
Revenues over (under) expenditures	(721,173)	(1,074,454)	(1,152,702)	(78,248)	-	(636,793)	(792,108)	(155,315)
<b>Other financing sources (uses)</b>								
Sales of capital Assets	8,900	18,500	23,032	4,532	-	-	-	-
Transfers in	712,273	736,996	1,129,670	392,674	-	636,793	792,108	155,315
Transfers (out)	-	-	-	-	-	-	-	-
	721,173	755,496	1,152,702	397,206	-	636,793	792,108	155,315
NET CHANGE IN FUND BALANCE	-	(318,958)	-	318,958	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	(\$ 318,958)	\$ -	\$ 318,958	\$ -	\$ -	\$ -	\$ -

## **Required Supplementary Information**

*County of Muskegon*

*September 30, 2007*

### **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.

### **General Fund budgetary highlights**

The original budget estimated a 3.25% increase in salaries. The actual increase was 2.5%.

Interest rates again increased beyond expectations. This caused an increase in expected revenue of \$261,000

Overall, revenues exceeded original expectations by \$1,363,000.

## Required Supplementary Information - continued

*County of Muskegon*

*September 30, 2007*

### **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 increase in District Court fine collections of \$154,000 due to expanded collection efforts.
- An increase in retiree health care costs of 106% due to a new actuarial valuation and the switching from a pay-as-you-go method to a defined benefit trust plan.
- Increases in medical costs which were 10% higher than anticipated.
- Decreases in workers compensation premiums of 75% in order to use up excess reserves based on IBNR third party calculations.
- General liability insurance costs increased as claims are projected to come in higher in future periods.

#### **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)	\$54,419,097	\$55,098,516
Brookhaven (2900)	\$13,584,669	\$13,797,907

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, 2007***

***Pension Fund***

<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>
12/31/04	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 %
12/31/06	150,499,461	175,250,444	24,750,983	85.9%	46,303,903	53 %

***Postemployment Benefits***

<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>
12/31/05	13,842,778	90,915,056	77,072,278	15.2%	44,152,941	175 %

# County of Muskegon

## Budget and actual by Department - General Fund

Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Difference (+/-)
101 Board of Commissioners	\$ 424,816	\$ 435,130	\$ 435,324	(\$ 194)
131 Circuit Court	1,399,930	1,287,848	1,170,033	117,815
132 Circuit Court Collections	87,688	89,344	89,930	(586)
135 District Court Collections Expanded	142,804	151,498	143,186	8,312
136 District Court	3,378,702	3,427,553	3,318,730	108,823
137 Probation Cobo Hall Tax	171,107	187,017	165,835	21,182
138 District Court Collections	167,306	165,836	165,714	122
145 Jury Commission	24,500	38,035	23,120	14,915
148 Probate Court	745,814	819,782	773,470	46,312
151 State Probation	65,288	64,778	64,335	443
161 Grand Jury	-	-	165	(165)
164 Public Defender	1,088,668	1,073,157	1,046,125	27,032
171 Administration	1,061,643	1,043,750	1,015,983	27,767
191 Elections	237,519	199,050	166,739	32,311
201 Accounting	650,549	560,798	560,339	459
210 Corporate Counsel	115,631	209,101	200,988	8,113
215 County Clerk	400,111	382,451	386,312	(3,861)
216 Circuit Court Records	501,375	493,969	507,627	(13,658)
225 Equalization	1,694,774	1,672,742	1,570,652	102,090
226 Human Resources	475,514	510,987	483,294	27,693
229 Prosecutor	2,139,432	2,204,231	2,106,991	97,240
233 Purchasing	277,804	282,767	282,998	(231)
236 Register of Deeds	589,699	566,298	580,521	(14,223)
241 Johnny O. Harris Building	-	4,565	4,182	383

## County of Muskegon

Budget and actual by Department - General Fund - continued

Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Difference (+/-)
242 Training Center	55,203	57,973	52,663	5,310
243 Youth Services Building	-	4,023	4,176	(153)
247 Central Services Building	-	13,190	2,487	10,703
248 Stark Hall	27,229	23,082	20,186	2,896
252 Transfers	1,475,021	1,462,907	1,446,975	15,932
253 Treasurer	722,536	739,615	732,629	6,986
260 Shady Grove Cemetery	2,877	3,137	2,508	629
263 Cordova Site O&M	\$ 13,557	\$ 12,506	\$ 10,375	\$ 2,131
265 Courthouse and Grounds	1,058,299	1,162,867	1,098,415	64,452
266 Facility Security Services	83,034	86,803	81,599	5,204
268 Oak Ave. Building	123,774	114,568	111,775	2,793
269 Harris Building	46,465	(362)	7,106	(7,468)
271 County Jail Building	383,982	564,629	508,977	55,652
273 Heritage Landing O&M	157,499	140,908	123,281	17,627
275 Drain Commissioner	284,753	288,854	286,610	2,244
284 Plat Board	916	916	-	916
297 Vehicle Pool	24,865	15,000	17,324	(2,324)
301 Sheriff Operations	3,691,134	3,625,632	3,545,029	80,603
305 Sheriff Administration	415,328	409,397	413,123	(3,726)
320 Officer Training Act 302	12,000	12,000	15,010	(3,010)
350 Correction Officer Training	70,000	80,000	58,368	21,632
351 Sheriff Jail	5,730,883	5,702,303	5,651,731	50,572
355 Courtroom Security	1,048,874	1,021,128	1,005,946	15,182
650 State Institutions	170,243	170,243	239,827	(69,584)
731 MSU Extension	154,038	197,402	186,706	10,696
941 Misc Contingency	484,177	602,298	583,282	19,016
959 Information Systems	855,498	875,338	812,328	63,010
Totals	\$ 32,932,859	\$ 33,257,044	\$ 32,281,029	\$ 976,015

## **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.

Sobriety Court (1170)--to account for monies received by the County from State grants and fees collected to provide substance abuse services to those in the community.

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.

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.

Prosecutor Drug Fund (2672)--to account for the 10% administrative costs assessed to local municipalities on the proceeds for forfeitures in connection with drug related crimes handled by the Prosecutor's Department.

WIRED (2730)--to account for Federal pass-through monies used in bringing State, Local, and Federal entities; academic institutions, investment groups, foundations, and business and industry to create innovative approaches in integrating economic and workforce development activities to stay competitive in the face of 21<sup>st</sup> Century global competition.

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

Jobs, Training and Education (2732)--to account for State grant monies used to assist families in moving off welfare and becoming self-sufficient by helping them to qualify for and keep good paying jobs.

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.

Michigan Prisoner Re-entry (2734)--to account for Federal pass-through monies to reduce crime and enhance public safety by providing services helping prisoner's transition back into the community.

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.

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.

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.

Berry Junction Bike Trail (2825)--to account for revenues and expenditures associated with development, planning and construction of the Berry Junction Bike Trail.

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.

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 received by the county from the State and passed through to the City of Muskegon for redevelopment of the downtown urban area.

Digital Divide Investment Program (2881)--to account for grants received from the State of Michigan to implement and deploy a broadband infrastructure project in low and moderate income designated areas of Cedar Creek, Egelston, Holton and Moorland Townships and the Village of Lakewood Club.

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.

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)--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.

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, 2007

**SPECIAL REVENUE**

	Cooperative Reimbursement Prosecutor (1150)	Sobriety Court (1170)	Emergency Services (1190)	Marine Safety (1200)	Highway Safety Programs (1210)	Township Patrols (1240)	Park Fund (2080)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 5,832	\$ -	\$ -	\$ 3,267	\$ 62,138
Investments	-	-	11,073	-	-	6,204	117,972
Receivables							
Accounts	-	785	55	-	-	21,820	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	26,069	3,475	16,900	77,013	91,219	-	-
Accrued Interest	-	-	-	-	-	-	401
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 26,069</u>	<u>\$ 4,260</u>	<u>\$ 33,860</u>	<u>\$ 77,013</u>	<u>\$ 91,219</u>	<u>\$ 31,291</u>	<u>\$ 180,511</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 693	\$ 803	\$ 313	\$ 523	\$ 3,163	\$ -	\$ 9,387
Intergovernmental payable	-	-	7,680	-	-	-	-
Accrued liabilities	13,248	383	4,785	5,754	8,196	6,689	10,174
Due to other funds	12,128	3,074	-	52,053	79,860	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	24,602	-
	<u>26,069</u>	<u>4,260</u>	<u>12,778</u>	<u>58,330</u>	<u>91,219</u>	<u>31,291</u>	<u>19,561</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	21,082	18,683	-	-	160,950
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>21,082</u>	<u>18,683</u>	<u>-</u>	<u>-</u>	<u>160,950</u>
	<u>\$ 26,069</u>	<u>\$ 4,260</u>	<u>\$ 33,860</u>	<u>\$ 77,013</u>	<u>\$ 91,219</u>	<u>\$ 31,291</u>	<u>\$ 180,511</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2007

**SPECIAL REVENUE**

	Prosecutor Family Court (2140)	Family Court Family Court (2150)	Family Court Re-entry Initiative (2152)	Health Department (2210)	Accommodations Tax (2300)	Deed Automation Fund (2560)	Budget Stabilization (2570)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 8,257	\$ 146,909	\$ -	\$ 239,414	\$ 759,000
Investments	-	-	15,677	278,914	-	454,539	1,441,000
Receivables							
Accounts	-	571	-	160,337	103,067	420	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	6,040	240,526	-	19,695	-	-	-
Accrued Interest	-	-	646	18	6	2,045	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	21,548	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 6,040</u>	<u>\$ 241,097</u>	<u>\$ 24,580</u>	<u>\$ 627,421</u>	<u>\$ 103,073</u>	<u>\$ 696,418</u>	<u>\$ 2,200,000</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ 3,721	\$ -	\$ 226,857	\$ 4,790	\$ 108	\$ -
Intergovernmental payable	-	-	24,580	12,618	-	-	-
Accrued liabilities	6,036	173,955	-	275,333	13,040	-	-
Due to other funds	4	63,421	-	-	753	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>6,040</u>	<u>241,097</u>	<u>24,580</u>	<u>514,808</u>	<u>18,583</u>	<u>108</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	112,613	84,490	696,310	-
Undesignated	-	-	-	-	-	-	2,200,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,613</u>	<u>84,490</u>	<u>696,310</u>	<u>2,200,000</u>
	<u>\$ 6,040</u>	<u>\$ 241,097</u>	<u>\$ 24,580</u>	<u>\$ 627,421</u>	<u>\$ 103,073</u>	<u>\$ 696,418</u>	<u>\$ 2,200,000</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2007

**SPECIAL REVENUE**

	Law Library (2610)	Community Corrections (2640)	Project Cornerstone (2650)	TNT Drug (2671)	Prosecutor Drug (2672)	WIRED (2730)	Wagner Peysers (2731)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,599	\$ -	\$ -	\$ 22,407	\$ 9,470	\$ -	\$ -
Investments	3,036	-	-	42,541	17,978	-	-
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	145,153	4,132	-	-	71,488	79,893
Accrued Interest	-	-	-	194	72	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 4,635</u>	<u>\$ 145,153</u>	<u>\$ 4,132</u>	<u>\$ 65,142</u>	<u>\$ 27,520</u>	<u>\$ 71,488</u>	<u>\$ 79,893</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 4,635	\$ 51,825	\$ -	\$ 4,250	\$ -	\$ 35,062	\$ 66,216
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	17,500	3,903	-	-	-	-
Due to other funds	-	75,828	229	-	-	36,426	13,677
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>4,635</u>	<u>145,153</u>	<u>4,132</u>	<u>4,250</u>	<u>-</u>	<u>71,488</u>	<u>79,893</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	60,892	27,520	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 4,635</u>	<u>\$ 145,153</u>	<u>\$ 4,132</u>	<u>\$ 65,142</u>	<u>\$ 27,520</u>	<u>\$ 71,488</u>	<u>\$ 79,893</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2007

**SPECIAL REVENUE**

	<b>Jobs, Training And Education (2732)</b>	<b>TAA/NAFTA (2733)</b>	<b>Michigan Prisoner Re-entry (2734)</b>	<b>Workfirst (2751)</b>	<b>WIA Admin Pool (2760)</b>	<b>WIA Adult Program (2761)</b>	<b>WIA Youth Programs (2762)</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 3	\$ -	\$ -	\$ 451,679	\$ -	\$ -	\$ -
Investments	7	-	-	857,536	-	-	-
Receivables							
Accounts	-	-	-	13,500	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	435,486	267,845	-	356,013	128,591	202,156
Accrued Interest	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 10</u>	<u>\$ 435,486</u>	<u>\$ 267,845</u>	<u>\$ 1,322,715</u>	<u>\$ 356,013</u>	<u>\$ 128,591</u>	<u>\$ 202,156</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 10	\$ 383,574	\$ 117,219	\$ 1,322,715	\$ 39,849	\$ 126,923	\$ 108,640
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	43,895	-	1,039
Due to other funds	-	51,912	150,626	-	272,269	1,668	92,477
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>10</u>	<u>435,486</u>	<u>267,845</u>	<u>1,322,715</u>	<u>356,013</u>	<u>128,591</u>	<u>202,156</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 10</u>	<u>\$ 435,486</u>	<u>\$ 267,845</u>	<u>\$ 1,322,715</u>	<u>\$ 356,013</u>	<u>\$ 128,591</u>	<u>\$ 202,156</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2007

**SPECIAL REVENUE**

	WIA Dislocated Wkr Program (2763)	Strategic Planning (2765)	WIA Youth Statewide (2766)	WIA Service Center Operations (2767)	Reed Act Funds (2769)	Crime Victims' Rights (2800)	Berry Junction Bike Trail (2825)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 30,131	\$ 12,925	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	57,204	24,538	-	-	-	-	-
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	95,552	-	963	19,480	-	42,835	3,310
Accrued Interest	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 182,887</u>	<u>\$ 37,463</u>	<u>\$ 963</u>	<u>\$ 19,480</u>	<u>\$ -</u>	<u>\$ 42,835</u>	<u>\$ 3,310</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 182,887	\$ 825	\$ 72	\$ 17,532	\$ -	\$ 5,429	\$ -
Intergovernmental payable	-	36,638	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	7,326	42
Due to other funds	-	-	891	1,948	-	29,181	3,268
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>182,887</u>	<u>37,463</u>	<u>963</u>	<u>19,480</u>	<u>-</u>	<u>41,936</u>	<u>3,310</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	899	-
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>899</u>	<u>-</u>
	<u>\$ 182,887</u>	<u>\$ 37,463</u>	<u>\$ 963</u>	<u>\$ 19,480</u>	<u>\$ -</u>	<u>\$ 42,835</u>	<u>\$ 3,310</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2007

**SPECIAL REVENUE**

	Juv. Account-ability Incentive Block Grant (2831)	Facility Master Plan (2840)	Revenue Sharing Reserve (2850)	EDC Loan Revolving (2860)	Ram busch-Fuchs CDBG Grant (2873)	Downtown Redevelopment Project (2876)	Digital Divide Investment Program (2881)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 873	\$ -	\$ 2,601,630	\$ 78,773	\$ 1,224	\$ -	\$ -
Investments	1,656	-	4,939,326	149,554	2,325	-	-
Receivables							
Accounts	-	-	-	66,112	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	808,563	827
Accrued Interest	-	-	-	680	-	-	-
Due from other funds	-	-	3,500,000	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 2,529</u>	<u>\$ -</u>	<u>\$ 11,040,956</u>	<u>\$ 295,119</u>	<u>\$ 3,549</u>	<u>\$ 808,563</u>	<u>\$ 827</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ -	\$ -	\$ 112	\$ -	\$ 803,522	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	2,529	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	5,041	827
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>2,529</u>	<u>-</u>	<u>-</u>	<u>112</u>	<u>-</u>	<u>808,563</u>	<u>827</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	295,007	3,549	-	-
Undesignated	-	-	11,040,956	-	-	-	-
	<u>-</u>	<u>-</u>	<u>11,040,956</u>	<u>295,007</u>	<u>3,549</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,529</u>	<u>\$ -</u>	<u>\$ 11,040,956</u>	<u>\$ 295,119</u>	<u>\$ 3,549</u>	<u>\$ 808,563</u>	<u>\$ 827</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2007

	SPECIAL REVENUE						DEBT SERVICE
	Remonumen- tation Program (289 0)	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Trust (2940)	Mental Health Buildings (297 0)	Victim Restitution (2980)	Quality of Life Debt (3111)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 11,785	\$ -	\$ -	\$ 4,572	\$ 17,098	\$ 620,969
Investments	-	22,373	-	-	8,680	32,460	1,178,940
Receivables							
Accounts	-	20,000	7,858	-	-	75	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	88,913	815,954	17,331	-	-	-
Accrued Interest	-	-	-	-	62	144	6,666
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 143,071</u>	<u>\$ 823,812</u>	<u>\$ 17,331</u>	<u>\$ 13,314</u>	<u>\$ 49,777</u>	<u>\$ 1,806,575</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ 5,071	\$ 174,419	\$ 2,563	\$ 10,873	\$ 144	\$ -
Intergovernmental payable	-	138,000	-	-	-	-	-
Accrued liabilities	-	-	109,511	-	1,663	-	43,050
Due to other funds	-	-	539,882	14,768	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>-</u>	<u>143,071</u>	<u>823,812</u>	<u>17,331</u>	<u>12,536</u>	<u>144</u>	<u>43,050</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	778	49,633	1,763,525
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>778</u>	<u>49,633</u>	<u>1,763,525</u>
	<u>\$ -</u>	<u>\$ 143,071</u>	<u>\$ 823,812</u>	<u>\$ 17,331</u>	<u>\$ 13,314</u>	<u>\$ 49,777</u>	<u>\$ 1,806,575</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2007

	DEBT SERVICE			CAPITAL PROJECTS			
	Hall of Justice Debt (3130)	Halm ond Cente r Debt (3142)	Heritage Landing (4180)	Fruitport/NS Sewer Project (4618)	Muskegon Township Sewer/Water (4640)	Muskegon/ Egelston/D alton Sewer (4641)	Whitehall Township Water (4645)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 37,101	\$ 3,774	\$ -	\$ 287,428	\$ -	\$ 311,389	\$ 34,988
Investments	70,439	7,164	-	545,696	-	591,188	66,426
Receivables							
Accounts	-	-	-	-	-	12,000	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Accrued Interest	-	-	-	2,498	-	7,434	835
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 107,540</u>	<u>\$ 10,938</u>	<u>\$ -</u>	<u>\$ 835,622</u>	<u>\$ -</u>	<u>\$ 922,011</u>	<u>\$ 102,249</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	-	\$ -	\$ -	\$ -	\$ 650	\$ -
Intergovernmental payable	-	-	-	835,622	-	-	-
Accrued liabilities	107,540	10,938	-	-	-	1,222	-
Due to other funds	-	-	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>107,540</u>	<u>10,938</u>	<u>-</u>	<u>835,622</u>	<u>-</u>	<u>1,872</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	920,139	102,249
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>920,139</u>	<u>102,249</u>
	<u>\$ 107,540</u>	<u>\$ 10,938</u>	<u>\$ -</u>	<u>\$ 835,622</u>	<u>\$ -</u>	<u>\$ 922,011</u>	<u>\$ 102,249</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2007

	CAPITAL PROJECTS				PERMANENT FUNDS		Total All Funds
	Public Improvement (493 0)	Capital Improvement (4960)	Drain Revolving (601 0)	Drain Projects (8010)	Cemetery Trust (150 0)	Medical Care Facility Endowment (1550)	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,187,510	\$ 13,046	\$ 7,146	\$ 136,312	\$ 12,129	\$ 5,499	\$ 8,126,276
Investments	4,153,100	24,769	13,566	258,796	23,028	10,441	15,428,147
Receivables							
Accounts	30,090	-	(1,500)	-	-	-	435,190
Assessments receivable-deferred	-	-	2,288	-	-	-	2,288
Intergovernmental	-	-	-	-	-	-	4,065,422
Accrued Interest	13,177	-	-	1,075	-	48	36,001
Due from other funds	-	-	-	-	-	-	3,500,000
Prepaid Items	-	-	-	-	-	-	21,548
Long-term Note receivable	1,250,000	300,000	-	-	-	-	1,550,000
	<u>\$ 7,633,877</u>	<u>\$ 337,815</u>	<u>\$ 21,500</u>	<u>\$ 396,183</u>	<u>\$ 35,157</u>	<u>\$ 15,988</u>	<u>\$ 33,164,872</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 175,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,891,138
Intergovernmental payable	-	-	-	-	-	-	1,055,138
Accrued liabilities	-	-	-	3,324	-	-	871,075
Due to other funds	-	-	-	-	-	-	1,502,211
Long-term advance from other funds	-	-	21,500	-	-	-	21,500
Deferred revenue	-	-	-	-	-	-	24,602
	<u>175,763</u>	<u>-</u>	<u>21,500</u>	<u>3,324</u>	<u>-</u>	<u>-</u>	<u>7,365,664</u>
Fund balance (deficit)							
Reserved for long-term note receivable	1,250,000	300,000	-	-	-	-	1,550,000
Unreserved							
Designated for programs	6,208,114	37,815	-	392,859	35,157	15,988	11,008,252
Undesignated	-	-	-	-	-	-	13,240,956
	<u>7,458,114</u>	<u>337,815</u>	<u>-</u>	<u>392,859</u>	<u>35,157</u>	<u>15,988</u>	<u>25,799,208</u>
	<u>\$ 7,633,877</u>	<u>\$ 337,815</u>	<u>\$ 21,500</u>	<u>\$ 396,183</u>	<u>\$ 35,157</u>	<u>\$ 15,988</u>	<u>\$ 33,164,872</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2007

**SPECIAL REVENUE**

	<b>Cooperative Reimbursement Prosecutor (1150)</b>	<b>Sobriety Court (1170)</b>	<b>Emergency Services (1190)</b>	<b>Marine Safety (1200)</b>	<b>Highway Safety Programs (1210)</b>	<b>Township Patrols (1240)</b>	<b>Park Fund (2080)</b>
<b>Revenues</b>							
<b>Grants</b>							
State	\$ 73,245	\$ 46,095	\$ -	\$ 103,041	\$ 218,122	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	142,183	-	222,804	-	46,379	-	-
Local Units	-	-	-	-	-	112,288	-
Charges for services rendered	-	63,211	-	-	-	-	645,002
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and for forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	(215)	-	-	-	2,087
Rentals	-	-	-	-	-	-	-
Other	-	-	14,462	406	-	-	23
	<u>215,428</u>	<u>109,306</u>	<u>237,051</u>	<u>103,447</u>	<u>264,501</u>	<u>112,288</u>	<u>647,112</u>
<b>Expenditures</b>							
<b>Current Operations</b>							
Judicial	-	104,731	-	-	-	-	-
General County government	333,481	-	-	-	-	-	-
Public Safety	-	-	304,949	165,796	264,501	229,623	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	614,882
Capital Outlay	-	4,575	163,334	-	-	1,395	5,950
<b>Debt Services</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>333,481</u>	<u>109,306</u>	<u>468,283</u>	<u>165,796</u>	<u>264,501</u>	<u>231,018</u>	<u>620,832</u>
<b>Revenues over (under) expenditures</b>	(118,053)	-	(231,232)	(62,349)	-	(118,730)	26,280
<b>Other financing sources (uses)</b>							
Transfers in	118,053	-	231,232	72,012	-	118,518	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>118,053</u>	<u>-</u>	<u>231,232</u>	<u>72,012</u>	<u>-</u>	<u>118,518</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	-	9,663	-	(212)	26,280
<b>Fund balance at beginning of year</b>	-	-	21,082	9,020	-	212	134,670
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,082</u>	<u>\$ 18,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,950</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2007

**SPECIAL REVENUE**

	Prosecutor Family Court (2140)	Family Court (2150)	Family Court Re-entry Initiative (2152)	Health Department (2210)	Accommodations Tax (2300)	Deed Automation Fund (2560)	Budget Stabilization (2570)
<b>Revenues</b>							
Grants							
State	\$ 38,309	\$ 766,504	\$ 41,593	\$ 1,138,313	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	1,538,893	-	3,556,738	-	-	-
Local Units	-	-	-	24,800	-	-	-
Charges for services rendered	-	295,840	-	2,354,225	-	205,480	-
Taxes	-	-	-	301,092	840,309	-	-
Contributions from private sources	-	-	-	4,782	-	-	-
Fines and for forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	7,590	596	720	25,779	-
Rentals	-	-	-	-	-	-	-
Other	-	63,326	-	175,230	-	-	-
	<u>38,309</u>	<u>2,664,563</u>	<u>49,183</u>	<u>7,555,776</u>	<u>841,029</u>	<u>231,259</u>	<u>-</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	1,115,188	-	-	-	-	-
General County government	213,336	3,417,013	15,414	-	738,399	92,191	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	9,455,247	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>213,336</u>	<u>4,532,201</u>	<u>15,414</u>	<u>9,455,247</u>	<u>738,399</u>	<u>92,191</u>	<u>-</u>
Revenues over (under) expenditures	(175,027)	(1,867,638)	33,769	(1,899,471)	102,630	139,068	-
<b>Other financing sources (uses)</b>							
Transfers in	175,027	1,795,243	-	1,866,925	-	-	100,000
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	(200,494)	-	(130,629)	-	-
Total other financing sources (uses)	<u>175,027</u>	<u>1,795,243</u>	<u>(200,494)</u>	<u>1,866,925</u>	<u>(130,629)</u>	<u>-</u>	<u>100,000</u>
Net change in fund balances	-	(72,395)	(166,725)	(32,546)	(27,999)	139,068	100,000
Fund balance at beginning of year	-	72,395	166,725	145,159	112,489	557,242	2,100,000
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,613</u>	<u>\$ 84,490</u>	<u>\$ 696,310</u>	<u>\$ 2,200,000</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2007

**SPECIAL REVENUE**

	Law Library (2610)	Community Corrections (2640)	Project Cornerstone (2650)	TNT Drug (2671)	Prosecutor Drug (2672)	WIRED (2730)	Wagner Peyser (2731)
<b>Revenues</b>							
<b>Grants</b>							
State	\$ -	\$ 891,822	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	50,538	-	-	-	-
Federal pass-thru	-	-	-	-	-	391,848	338,182
Local Units	-	-	-	-	-	-	-
Charges for services rendered	415	89,331	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	60	-	-	-
Fines and for forfeiture	6,500	-	-	1,680	22,051	-	-
Investment Income	-	-	-	2,516	469	-	-
Rentals	-	-	-	-	-	-	-
Other	-	969	-	2,130	5,000	-	-
	<u>6,915</u>	<u>982,122</u>	<u>50,538</u>	<u>6,386</u>	<u>27,520</u>	<u>391,848</u>	<u>338,182</u>
<b>Expenditures</b>							
<b>Current Operations</b>							
Judicial	35,792	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	1,318,832	88,659	6,011	-	-	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	391,848	338,182
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	1,000	-	-	-
<b>Debt Services</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>35,792</u>	<u>1,318,832</u>	<u>88,659</u>	<u>7,011</u>	<u>-</u>	<u>391,848</u>	<u>338,182</u>
<b>Revenues over (under) expenditures</b>	(28,877)	(336,710)	(38,121)	(625)	27,520	-	-
<b>Other financing sources (uses)</b>							
Transfers in	28,877	336,710	38,121	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>28,877</u>	<u>336,710</u>	<u>38,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	-	(625)	27,520	-	-
<b>Fund balance at beginning of year</b>	-	-	-	61,517	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,892</u>	<u>\$ 27,520</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, 2007

**SPECIAL REVENUE**

	<b>Jobs, Training And Education (2732)</b>	<b>TAA/NAFTA (2733)</b>	<b>Michigan Prisoner Re-entry (2734)</b>	<b>Workfirst (2751)</b>	<b>WIA Admin Pool (2760)</b>	<b>WIA Adult Program (2761)</b>	<b>WIA Youth Programs (2762)</b>
<b>Revenues</b>							
<b>Grants</b>							
State	\$ 188,110	\$ -	\$ 583,715	\$ 701,627	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	1,425,124	-	3,183,541	425,137	936,272	739,663
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and for forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	6,219	-	7,029	616
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>188,110</u>	<u>1,425,124</u>	<u>583,715</u>	<u>3,891,387</u>	<u>425,137</u>	<u>943,301</u>	<u>740,279</u>
<b>Expenditures</b>							
<b>Current Operations</b>							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	188,110	1,425,124	583,715	3,891,387	419,285	943,301	740,279
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	5,852	-	-
<b>Debt Services</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>188,110</u>	<u>1,425,124</u>	<u>583,715</u>	<u>3,891,387</u>	<u>425,137</u>	<u>943,301</u>	<u>740,279</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
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, 2007

**SPECIAL REVENUE**

	WIA Dislocated Wkr Program (2763)	Strategic Planning (2765)	WIA Youth Statewide (2766)	WIA Service Center Operations (2767)	Reed Act Funds (2769)	Crime Victims' Rights (2800)	Berry Junction Bike Trail (2825)
<b>Revenues</b>							
<b>Grants</b>							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,630	\$ 3,310
Federal	-	-	-	-	-	-	-
Federal pass-thru	919,651	-	10,952	79,600	132,697	64,045	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	560	-
Fines and for forfeiture	-	-	-	-	-	-	-
Investment Income	5,621	854	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>925,272</u>	<u>854</u>	<u>10,952</u>	<u>79,600</u>	<u>132,697</u>	<u>193,235</u>	<u>3,310</u>
<b>Expenditures</b>							
<b>Current Operations</b>							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	3,310
Public Safety	-	-	-	-	-	200,038	-
Health	-	-	-	-	-	-	-
Welfare	925,272	854	10,952	79,600	132,697	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
<b>Debt Services</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>925,272</u>	<u>854</u>	<u>10,952</u>	<u>79,600</u>	<u>132,697</u>	<u>200,038</u>	<u>3,310</u>
Revenues over (under) expenditures	-	-	-	-	-	(6,803)	-
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	6,803	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,803</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	899	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 899</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, 2007

**SPECIAL REVENUE**

	<u>Juv. Account-ability Incentive Block Grant (2831)</u>	<u>Facility Master Plan (2840)</u>	<u>Revenue Sharing Reserve (2850)</u>	<u>EDC Loan Revolving (2860)</u>	<u>Ram bus ch-Fuchs CDBG Grant (2873)</u>	<u>Downtown Redevlopment Project (2876)</u>	<u>Digital Divide Investment Program (2881)</u>
<b>Revenues</b>							
<b>Grants</b>							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	7,346	-	-	-	-	808,563	1,358,372
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	7,045,117	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and for feiture	-	-	-	-	-	-	-
Investment Income	-	-	-	11,124	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>7,346</u>	<u>-</u>	<u>7,045,117</u>	<u>11,124</u>	<u>-</u>	<u>808,563</u>	<u>1,358,372</u>
<b>Expenditures</b>							
<b>Current Operations</b>							
Judicial	51,566	-	-	-	-	-	-
General County government	-	208,974	-	36,117	-	808,812	1,358,372
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
<b>Debt Services</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>51,566</u>	<u>208,974</u>	<u>-</u>	<u>36,117</u>	<u>-</u>	<u>808,812</u>	<u>1,358,372</u>
<b>Revenues over (under) expenditures</b>	<b>(44,220)</b>	<b>(208,974)</b>	<b>7,045,117</b>	<b>(24,993)</b>	<b>-</b>	<b>(249)</b>	<b>-</b>
<b>Other financing sources (uses)</b>							
Transfers in	44,220	208,974	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	(3,156,503)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>44,220</b>	<b>208,974</b>	<b>(3,156,503)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>3,888,614</b>	<b>(24,993)</b>	<b>-</b>	<b>(249)</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>7,152,342</b>	<b>320,000</b>	<b>3,549</b>	<b>249</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,040,956</b>	<b>\$ 295,007</b>	<b>\$ 3,549</b>	<b>\$ -</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2007

	SPECIAL REVENUE						DEBT SERVICE
	Remuneration Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Trust (2940)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3111)
<b>Revenues</b>							
<b>Grants</b>							
State	\$ 119,448	\$ 1,006,541	\$ 2,891,481	\$ 32,811	\$ -	\$ -	\$ -
Federal	-	-	32,459	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	6,537	-
Taxes	-	-	-	-	-	-	1,534,475
Contributions from private sources	-	-	-	-	-	-	-
Fines and for forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	4,731	1,941	89,611
Rentals	-	-	-	-	299,045	-	-
Other	-	46,799	258,997	-	-	-	-
	<u>119,448</u>	<u>1,053,340</u>	<u>3,182,937</u>	<u>32,811</u>	<u>303,776</u>	<u>8,478</u>	<u>1,624,086</u>
<b>Expenditures</b>							
<b>Current Operations</b>							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	5,083	-
Public Safety	-	-	-	-	-	-	-
Health	-	1,063,161	6,496,342	-	327,211	-	-
Welfare	-	-	-	32,811	-	-	-
Culture	124,909	-	-	-	-	-	472
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	69,035	-	-	-	-
<b>Debt Services</b>							
Principal	-	-	-	-	-	-	850,000
Interest	-	-	-	-	-	-	548,543
Other	-	-	-	-	-	-	-
	<u>124,909</u>	<u>1,063,161</u>	<u>6,565,377</u>	<u>32,811</u>	<u>327,211</u>	<u>5,083</u>	<u>1,399,015</u>
Revenues over (under) expenditures	(5,461)	(9,821)	(3,382,440)	-	(23,435)	3,395	225,071
<b>Other financing sources (uses)</b>							
Transfers in	5,461	9,821	3,382,440	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>5,461</u>	<u>9,821</u>	<u>3,382,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	(23,435)	3,395	225,071
Fund balance at beginning of year	-	-	-	-	24,213	46,238	1,538,454
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 778</u>	<u>\$ 49,633</u>	<u>\$ 1,763,525</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2007

	DEBT SERVICE			CAPITAL PROJECTS			
	Hall of Justice Debt (3130)	Halmond Center Debt (3142)	Heritage Landing (4180)	Fruitport/NS Sewer Project (4618)	Muskegon Township Sewer/Water (4640)	Muskegon/ Egelston/Dalton Sewer (4641)	Whitehall Township Water (4645)
<b>Revenues</b>							
<b>Grants</b>							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and for forfeiture	-	-	-	-	-	-	-
Investment Income	-	557	-	36,131	-	214,530	24,407
Rentals	-	170,640	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>-</u>	<u>171,197</u>	<u>-</u>	<u>36,131</u>	<u>-</u>	<u>214,530</u>	<u>24,407</u>
<b>Expenditures</b>							
<b>Current Operations</b>							
Judicial	-	-	-	-	-	-	-
General County government	250	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	1,395	-	1,317,526	-	7,656,932	907,663
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	1	-	-	-
<b>Debt Services</b>							
Principal	225,000	140,000	-	-	-	-	-
Interest	263,674	29,802	-	-	-	-	9,495
Other	-	-	-	-	-	-	-
	<u>488,924</u>	<u>171,197</u>	<u>-</u>	<u>1,317,527</u>	<u>-</u>	<u>7,656,932</u>	<u>917,158</u>
<b>Revenues over (under) expenditures</b>	<b>(488,924)</b>	<b>-</b>	<b>-</b>	<b>(1,281,396)</b>	<b>-</b>	<b>(7,442,402)</b>	<b>(892,751)</b>
<b>Other financing sources (uses)</b>							
Transfers in	488,924	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	995,000
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	(42,114)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>488,924</b>	<b>-</b>	<b>(42,114)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>995,000</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>(42,114)</b>	<b>(1,281,396)</b>	<b>-</b>	<b>(7,442,402)</b>	<b>102,249</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>42,114</b>	<b>1,281,396</b>	<b>-</b>	<b>8,362,541</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 920,139</b>	<b>\$ 102,249</b>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2007

	CAPITAL PROJECTS				PERMANENT FUNDS		Total All Funds
	Public Improvement (4930)	Capital Improvement (4960)	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	
<b>Revenues</b>							
<b>Grants</b>							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,972,717
Federal	-	-	-	-	-	-	82,997
Federal pass-thru	-	-	-	-	-	-	16,327,990
Local Units	-	-	-	-	-	-	137,088
Charges for services rendered	-	-	-	24,391	-	-	3,684,432
Taxes	-	-	-	-	-	-	9,720,993
Contributions from private sources	-	-	-	-	-	-	5,402
Fines and for forfeiture	-	-	-	-	-	-	30,231
Investment Income	191,221	-	-	14,810	630	662	650,236
Rentals	369,595	-	-	-	-	2,530	841,810
Other	25,363	-	-	-	-	-	592,705
	<u>586,179</u>	<u>-</u>	<u>-</u>	<u>39,201</u>	<u>630</u>	<u>3,192</u>	<u>41,046,601</u>
<b>Expenditures</b>							
<b>Current Operations</b>							
Judicial	-	-	-	-	-	-	1,307,277
General County government	-	-	-	-	474	4,780	7,236,006
Public Safety	-	-	-	-	-	-	2,578,409
Health	-	-	-	-	-	-	27,225,477
Welfare	-	-	-	-	-	-	10,103,417
Culture	-	-	-	-	-	-	125,381
Recreation	-	-	-	-	-	-	614,882
Capital Outlay	1,394,341	-	-	-	-	-	1,645,483
<b>Debt Services</b>							
Principal	-	-	-	-	-	-	1,215,000
Interest	-	-	-	-	-	-	851,514
Other	48,847	229	-	93,907	-	-	142,983
	<u>1,443,188</u>	<u>229</u>	<u>-</u>	<u>93,907</u>	<u>474</u>	<u>4,780</u>	<u>53,045,829</u>
<b>Revenues over (under) expenditures</b>	<b>(857,009)</b>	<b>(229)</b>	<b>-</b>	<b>(54,706)</b>	<b>156</b>	<b>(1,588)</b>	<b>(11,999,228)</b>
<b>Other financing sources (uses)</b>							
Transfers in	2,199,505	-	-	48,411	-	-	11,275,277
Bond Issuance	-	-	-	-	-	-	995,000
Sale of Assets	1,436,337	-	-	-	-	-	1,436,337
Transfers (out)	(223,452)	-	-	-	-	-	(3,753,192)
<b>Total other financing sources (uses)</b>	<b>3,412,390</b>	<b>-</b>	<b>-</b>	<b>48,411</b>	<b>-</b>	<b>-</b>	<b>9,953,422</b>
<b>Net change in fund balances</b>	<b>2,555,381</b>	<b>(229)</b>	<b>-</b>	<b>(6,295)</b>	<b>156</b>	<b>(1,588)</b>	<b>(2,045,806)</b>
<b>Fund balance at beginning of year</b>	<b>4,902,733</b>	<b>338,044</b>	<b>-</b>	<b>399,154</b>	<b>35,001</b>	<b>17,576</b>	<b>27,845,014</b>
<b>Fund balance at end of year</b>	<b>\$ 7,458,114</b>	<b>\$ 337,815</b>	<b>\$ -</b>	<b>\$ 392,859</b>	<b>\$ 35,157</b>	<b>\$ 15,988</b>	<b>\$ 25,799,208</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, 2007**

	Cooperative Reimbursement Prosecutor (1150)			Society Court (1170)			Emergency Services (1190)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 81,989	\$ 73,245	(\$ 8,744)	\$ 50,000	\$ 46,095	(\$ 3,905)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	142,183	142,183	-	-	-	-	178,251	222,804	44,553
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	60,000	63,211	3,211	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	(215)	(215)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	80,254	14,462	(65,792)
	<u>224,172</u>	<u>215,428</u>	<u>(8,744)</u>	<u>110,000</u>	<u>109,306</u>	<u>(694)</u>	<u>258,505</u>	<u>237,051</u>	<u>(21,454)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	105,500	104,731	769	-	-	-
General County government	334,657	333,481	1,176	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	315,077	304,949	10,128
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	4,500	4,575	(75)	179,420	163,334	16,086
	<u>334,657</u>	<u>333,481</u>	<u>1,176</u>	<u>110,000</u>	<u>109,306</u>	<u>694</u>	<u>494,497</u>	<u>468,283</u>	<u>26,214</u>
<b>Revenues over (under) expenditures</b>	<b>(110,485)</b>	<b>(118,053)</b>	<b>(7,568)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(235,992)</b>	<b>(231,232)</b>	<b>4,760</b>
<b>Other financing sources (uses)</b>									
Transfers in	110,485	118,053	7,568	-	-	-	235,992	231,232	(4,760)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>110,485</b>	<b>118,053</b>	<b>7,568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235,992</b>	<b>231,232</b>	<b>(4,760)</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>-</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>21,082</b>	<b>21,082</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,082</b>	<b>\$ 21,082</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, 2007**

	Marine Safety (1200)			Highway Safety Programs (1210)			Township Patrols (1240)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 105,659	\$ 103,041	(\$ 2,618)	\$ 219,420	\$ 218,122	(\$ 1,298)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	70,312	46,379	(23,933)	-	-	-
Local units	-	-	-	-	-	-	117,546	112,288	(5,258)
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	400	406	6	-	-	-	-	-	-
	<u>106,059</u>	<u>103,447</u>	<u>(2,612)</u>	<u>289,732</u>	<u>264,501</u>	<u>(25,231)</u>	<u>117,546</u>	<u>112,288</u>	<u>(5,258)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	178,078	165,796	12,282	287,732	264,501	23,231	233,697	229,623	4,074
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	2,000	-	2,000	1,395	1,395	-
	<u>178,078</u>	<u>165,796</u>	<u>12,282</u>	<u>289,732</u>	<u>264,501</u>	<u>25,231</u>	<u>235,092</u>	<u>231,018</u>	<u>4,074</u>
Revenues over (under) expenditures	(72,019)	(62,349)	9,670	-	-	-	(117,546)	(118,730)	(1,184)
<b>Other financing sources (uses)</b>									
Transfers in	72,019	72,012	(7)	-	-	-	117,546	118,518	972
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>72,019</u>	<u>72,012</u>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,546</u>	<u>118,518</u>	<u>972</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	9,663	9,663	-	-	-	-	(212)	(212)
Fund balance at beginning of year	9,020	9,020	-	-	-	-	212	212	-
Fund balance at end of year	<u>\$ 9,020</u>	<u>\$ 18,683</u>	<u>\$ 9,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212</u>	<u>\$ -</u>	<u>(\$ 212)</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, 2007**

	Park Fund (2080)			Prosecutor Family Court (2140)			Family Court (2150)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ 39,000	\$ 38,309	(\$ 691)	\$ 935,724	\$ 766,504	(\$ 169,220)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	1,791,741	1,538,893	(252,848)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	660,000	645,002	(14,998)	-	-	-	275,850	295,840	19,990
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	1,200	2,087	887	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	23	23	-	-	-	63,000	63,326	326
	<u>661,200</u>	<u>647,112</u>	<u>(14,088)</u>	<u>39,000</u>	<u>38,309</u>	<u>(691)</u>	<u>3,066,315</u>	<u>2,664,563</u>	<u>(401,752)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	1,115,494	1,115,188	306
General County government	-	-	-	225,586	213,336	12,250	3,551,027	3,417,013	134,014
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	619,574	614,882	4,692	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	2,650	5,950	(3,300)	-	-	-	-	-	-
	<u>622,224</u>	<u>620,832</u>	<u>1,392</u>	<u>225,586</u>	<u>213,336</u>	<u>12,250</u>	<u>4,666,521</u>	<u>4,532,201</u>	<u>134,320</u>
<b>Revenues over (under) expenditures</b>	<b>38,976</b>	<b>26,280</b>	<b>(12,696)</b>	<b>(186,586)</b>	<b>(175,027)</b>	<b>11,559</b>	<b>(1,600,206)</b>	<b>(1,867,638)</b>	<b>(267,432)</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	186,586	175,027	(11,559)	1,788,206	1,795,243	7,037
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	(36,492)	-	36,492	-	-	-	-	-	-
Total other financing sources (uses)	<u>(36,492)</u>	<u>-</u>	<u>36,492</u>	<u>186,586</u>	<u>175,027</u>	<u>(11,559)</u>	<u>1,788,206</u>	<u>1,795,243</u>	<u>7,037</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>2,484</b>	<b>26,280</b>	<b>23,796</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188,000</b>	<b>(72,395)</b>	<b>(260,395)</b>
Fund balance at beginning of year	134,670	134,670	-	-	-	-	72,395	72,395	-
Fund balance at end of year	<u>\$ 137,154</u>	<u>\$ 160,950</u>	<u>\$ 23,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,395</u>	<u>\$ -</u>	<u>(\$ 260,395)</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, 2007**

	Family Court Re-entry Initiative (2152)			Health Department (2210)			Accommodations Tax (2300)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 44,390	\$ 41,593	(\$ 2,797)	\$ 937,321	\$ 1,138,313	\$ 200,992	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	2,294,821	3,556,738	1,261,917	-	-	-
Local units	-	-	-	24,800	24,800	-	-	-	-
Charges for services rendered	-	-	-	2,132,981	2,354,225	221,244	-	-	-
Contributions from private sources	-	-	-	4,750	4,782	32	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	7,000	7,590	590	-	596	596	1,000	720	(280)
Taxes	-	-	-	299,320	301,092	1,772	873,000	840,309	(32,691)
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	332,210	175,230	(156,980)	-	-	-
	<u>51,390</u>	<u>49,183</u>	<u>(2,207)</u>	<u>6,026,203</u>	<u>7,555,776</u>	<u>1,529,573</u>	<u>874,000</u>	<u>841,029</u>	<u>(32,971)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	15,414	15,414	-	-	-	-	743,344	738,399	4,945
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	7,816,423	9,455,247	(1,638,824)	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>15,414</u>	<u>15,414</u>	<u>-</u>	<u>7,816,423</u>	<u>9,455,247</u>	<u>(1,638,824)</u>	<u>743,344</u>	<u>738,399</u>	<u>4,945</u>
<b>Revenues over (under) expenditures</b>	<b>35,976</b>	<b>33,769</b>	<b>(2,207)</b>	<b>(1,790,220)</b>	<b>(1,899,471)</b>	<b>(109,251)</b>	<b>130,656</b>	<b>102,630</b>	<b>(28,026)</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	1,790,220	1,866,925	76,705	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	(200,494)	(200,494)	-	-	-	(130,629)	(130,629)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(200,494)</b>	<b>(200,494)</b>	<b>1,790,220</b>	<b>1,866,925</b>	<b>76,705</b>	<b>(130,629)</b>	<b>(130,629)</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>35,976</b>	<b>(166,725)</b>	<b>(202,701)</b>	<b>-</b>	<b>(32,546)</b>	<b>(32,546)</b>	<b>27</b>	<b>(27,999)</b>	<b>(28,026)</b>
<b>Fund balance at beginning of year</b>	<b>166,725</b>	<b>166,725</b>	<b>-</b>	<b>103,152</b>	<b>145,159</b>	<b>42,007</b>	<b>112,489</b>	<b>112,489</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 202,701</b>	<b>\$ -</b>	<b>(\$ 202,701)</b>	<b>\$ 103,152</b>	<b>\$ 112,613</b>	<b>\$ 9,461</b>	<b>\$ 112,516</b>	<b>\$ 84,490</b>	<b>(\$ 28,026)</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, 2007**

	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	210,000	205,480	(4,520)	-	-	-	400	415	15
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	6,500	6,500	-
Investment income	25,000	25,779	779	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>235,000</u>	<u>231,259</u>	<u>(3,741)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,900</u>	<u>6,915</u>	<u>15</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	34,932	35,792	(860)
General County government	145,098	92,191	52,907	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	83,000	-	83,000	-	-	-	-	-	-
	<u>228,098</u>	<u>92,191</u>	<u>135,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,932</u>	<u>35,792</u>	<u>(860)</u>
<b>Revenues over (under) expenditures</b>	<b>6,902</b>	<b>139,068</b>	<b>132,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28,032)</b>	<b>(28,877)</b>	<b>(845)</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	100,000	100,000	28,032	28,877	845
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>	<b>28,032</b>	<b>28,877</b>	<b>845</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>6,902</b>	<b>139,068</b>	<b>132,166</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>557,242</b>	<b>557,242</b>	<b>-</b>	<b>2,100,000</b>	<b>2,100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 564,144</b>	<b>\$ 696,310</b>	<b>\$ 132,166</b>	<b>\$ 2,100,000</b>	<b>\$ 2,200,000</b>	<b>\$ 100,000</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, 2007**

	Community Corrections (2640)			Project Cornerstone (2650)			TNT Drug (2671)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 993,652	\$ 891,822	(\$ 101,830)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	50,538	50,538	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	90,000	89,331	(669)	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	100	60	(40)
Fines and forfeitures	-	-	-	-	-	-	1,680	1,680	-
Investment income	-	-	-	-	-	-	2,000	2,516	516
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	25,000	969	(24,031)	-	-	-	1,105	2,130	1,025
	<u>1,108,652</u>	<u>982,122</u>	<u>(126,530)</u>	<u>50,538</u>	<u>50,538</u>	<u>-</u>	<u>4,885</u>	<u>6,386</u>	<u>1,501</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	1,432,944	1,318,832	114,112	88,379	88,659	(280)	5,948	6,011	(63)
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>1,432,944</u>	<u>1,318,832</u>	<u>114,112</u>	<u>88,379</u>	<u>88,659</u>	<u>(280)</u>	<u>7,948</u>	<u>7,011</u>	<u>937</u>
<b>Revenues over (under) expenditures</b>	<b>(324,292)</b>	<b>(336,710)</b>	<b>(12,418)</b>	<b>(37,841)</b>	<b>(38,121)</b>	<b>(280)</b>	<b>(3,063)</b>	<b>(625)</b>	<b>2,438</b>
<b>Other financing sources (uses)</b>									
Transfers in	324,292	336,710	12,418	37,841	38,121	280	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>324,292</u>	<u>336,710</u>	<u>12,418</u>	<u>37,841</u>	<u>38,121</u>	<u>280</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>-</b>	<b>-</b>	<b>-</b>	<b>(3,063)</b>	<b>(625)</b>	<b>2,438</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,517</b>	<b>61,517</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 58,454</b>	<b>\$ 60,892</b>	<b>\$ 2,438</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, 2007**

	Prosecutor Drug (2672)			WIRED (2730)			Wagner Peyser (2731)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	170,000	391,848	221,848	335,646	338,182	2,536
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	22,051	22,051	-	-	-	-	-	-	-
Investment income	400	469	69	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	5,000	5,000	-	-	-	-	-	-	-
	<u>27,451</u>	<u>27,520</u>	<u>69</u>	<u>170,000</u>	<u>391,848</u>	<u>221,848</u>	<u>335,646</u>	<u>338,182</u>	<u>2,536</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	170,000	391,848	(221,848)	335,646	338,182	(2,536)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>391,848</u>	<u>(221,848)</u>	<u>335,646</u>	<u>338,182</u>	<u>(2,536)</u>
<b>Revenues over (under) expenditures</b>	<u>27,451</u>	<u>27,520</u>	<u>69</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>27,451</u>	<u>27,520</u>	<u>69</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 27,451</u>	<u>\$ 27,520</u>	<u>\$ 69</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, 2007**

	Jobs, Training, And Education (2732)			TAA/NAFTA (2733)			Michigan Prisoner Re-entry (2734)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 188,110	\$ 188,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 583,715	\$ 583,715
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	849,914	1,425,124	575,210	600,000	-	(600,000)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>188,110</u>	<u>188,110</u>	<u>-</u>	<u>849,914</u>	<u>1,425,124</u>	<u>575,210</u>	<u>600,000</u>	<u>583,715</u>	<u>(16,285)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	188,110	188,110	-	849,914	1,425,124	(575,210)	600,000	583,715	16,285
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>188,110</u>	<u>188,110</u>	<u>-</u>	<u>849,914</u>	<u>1,425,124</u>	<u>(575,210)</u>	<u>600,000</u>	<u>583,715</u>	<u>16,285</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, 2007**

	Workfirst (2751)			WIA Admin Pool (2760)			WIA Adult Program (2761)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 731,909	\$ 701,627	(\$ 30,282)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	3,625,063	3,183,541	(441,522)	412,866	425,137	12,271	870,030	936,272	66,242
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	6,219	6,219	-	-	-	-	7,029	7,029
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>4,356,972</u>	<u>3,891,387</u>	<u>(465,585)</u>	<u>412,866</u>	<u>425,137</u>	<u>12,271</u>	<u>870,030</u>	<u>943,301</u>	<u>73,271</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	4,356,972	3,891,387	465,585	341,462	419,285	(77,823)	870,030	943,301	(73,271)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	-	-	-	71,404	5,852	65,552	-	-	-
	<u>4,356,972</u>	<u>3,891,387</u>	<u>465,585</u>	<u>412,866</u>	<u>425,137</u>	<u>(12,271)</u>	<u>870,030</u>	<u>943,301</u>	<u>(73,271)</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>	-	-	-	-	-	-	-	-	-
<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, 2007**

	WIA Youth Programs (2762)			WIA Dislocated Wkr Program (2763)			Strategic Planning (2765)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	750,490	739,663	(10,827)	690,622	919,651	229,029	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	616	616	-	5,621	5,621	-	854	854
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>750,490</u>	<u>740,279</u>	<u>(10,211)</u>	<u>690,622</u>	<u>925,272</u>	<u>234,650</u>	<u>-</u>	<u>854</u>	<u>854</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	750,490	740,279	10,211	690,622	925,272	(234,650)	-	854	(854)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>750,490</u>	<u>740,279</u>	<u>10,211</u>	<u>690,622</u>	<u>925,272</u>	<u>(234,650)</u>	<u>-</u>	<u>854</u>	<u>(854)</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>	-	-	-	-	-	-	-	-	-
<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, 2007**

	WIA Youth Statewide (2766)			WIA Service Center Operations (2767)			Reed Act Funds (2769)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	10,717	10,952	235	80,112	79,600	(512)	132,698	132,697	(1)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>10,717</u>	<u>10,952</u>	<u>235</u>	<u>80,112</u>	<u>79,600</u>	<u>(512)</u>	<u>132,698</u>	<u>132,697</u>	<u>(1)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	10,717	10,952	(235)	80,112	79,600	512	132,698	132,697	1
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>10,717</u>	<u>10,952</u>	<u>(235)</u>	<u>80,112</u>	<u>79,600</u>	<u>512</u>	<u>132,698</u>	<u>132,697</u>	<u>1</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>	-	-	-	-	-	-	-	-	-
<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, 2007

	Crime Victims' Rights (2800)			Berry Junction Bike Trail (2825)			Juv. Accountability Incentive Block Grant (2831)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 128,900	\$ 128,630	(\$ 270)	\$ 3,878	\$ 3,310	(\$ 568)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	65,183	64,045	(1,138)	-	-	-	10,986	7,346	(3,640)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	600	560	(40)	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>194,683</u>	<u>193,235</u>	<u>(1,448)</u>	<u>3,878</u>	<u>3,310</u>	<u>(568)</u>	<u>10,986</u>	<u>7,346</u>	<u>(3,640)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	51,473	51,566	(93)
General County government	-	-	-	3,878	3,310	568	-	-	-
Public safety	204,805	200,038	4,767	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>204,805</u>	<u>200,038</u>	<u>4,767</u>	<u>3,878</u>	<u>3,310</u>	<u>568</u>	<u>51,473</u>	<u>51,566</u>	<u>(93)</u>
<b>Revenues over (under) expenditures</b>	<b>(10,122)</b>	<b>(6,803)</b>	<b>3,319</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40,487)</b>	<b>(44,220)</b>	<b>(3,733)</b>
<b>Other financing sources (uses)</b>									
Transfers in	10,087	6,803	(3,284)	-	-	-	40,487	44,220	3,733
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>10,087</u>	<u>6,803</u>	<u>(3,284)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,487</u>	<u>44,220</u>	<u>3,733</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(35)</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance at beginning of year	899	899	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ 864</u>	<u>\$ 899</u>	<u>\$ 35</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, 2007**

	Facility Master Plan (2840)			Revenue Sharing Reserve (2850)			EDC Loan Revolving (2860)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	30,000	-	(30,000)	9,500	11,124	1,624
Taxes	-	-	-	7,045,117	7,045,117	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,075,117</u>	<u>7,045,117</u>	<u>(30,000)</u>	<u>9,500</u>	<u>11,124</u>	<u>1,624</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	226,974	208,974	18,000	-	-	-	36,155	36,117	38
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay									
	<u>226,974</u>	<u>208,974</u>	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,155</u>	<u>36,117</u>	<u>38</u>
<b>Revenues over (under) expenditures</b>	<b>(226,974)</b>	<b>(208,974)</b>	<b>18,000</b>	<b>7,075,117</b>	<b>7,045,117</b>	<b>(30,000)</b>	<b>(26,655)</b>	<b>(24,993)</b>	<b>1,662</b>
<b>Other financing sources (uses)</b>									
Transfers in	226,974	208,974	(18,000)	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(3,156,503)	(3,156,503)	-	-	-	-
Total other financing sources (uses)	<u>226,974</u>	<u>208,974</u>	<u>(18,000)</u>	<u>(3,156,503)</u>	<u>(3,156,503)</u>	<u>-</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>3,918,614</b>	<b>3,888,614</b>	<b>(30,000)</b>	<b>(26,655)</b>	<b>(24,993)</b>	<b>1,662</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,152,342</b>	<b>7,152,342</b>	<b>-</b>	<b>320,000</b>	<b>320,000</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,070,956</b>	<b>\$ 11,040,956</b>	<b>(\$ 30,000)</b>	<b>\$ 293,345</b>	<b>\$ 295,007</b>	<b>\$ 1,662</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, 2007

	Rambusch-Fuchs CDBG Grant (2873)			Downtown Redevelopment Project (2876)			Digital Divide Investment Program (2881)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	1,030,382	808,563	(221,819)	-	1,358,372	1,358,372
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>1,030,382</u>	<u>808,563</u>	<u>(221,819)</u>	<u>-</u>	<u>1,358,372</u>	<u>1,358,372</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	5,289	808,812	(803,523)	-	1,358,372	(1,358,372)
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	1,025,093	-	1,025,093	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,030,382</u>	<u>808,812</u>	<u>221,570</u>	<u>-</u>	<u>1,358,372</u>	<u>(1,358,372)</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	(249)	(249)	-	-	-
<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>	-	-	-	-	(249)	(249)	-	-	-
<b>Fund balance at beginning of year</b>	<u>3,549</u>	<u>3,549</u>	<u>-</u>	<u>249</u>	<u>249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 3,549</u>	<u>\$ 3,549</u>	<u>\$ -</u>	<u>\$ 249</u>	<u>\$ -</u>	<u>(\$ 249)</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, 2007

	Remonumentation Program (2890)			Social Welfare (2910)			Child Care Facility (2920)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 127,061	\$ 119,448	(\$ 7,613)	\$ 1,460,000	\$ 1,006,541	(\$ 453,459)	\$ 3,272,814	\$ 2,891,481	(\$ 381,333)
Federal	-	-	-	-	-	-	32,400	32,459	59
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>127,061</u>	<u>119,448</u>	<u>(7,613)</u>	<u>40,000</u>	<u>46,799</u>	<u>6,799</u>	<u>240,068</u>	<u>258,997</u>	<u>18,929</u>
	<u>127,061</u>	<u>119,448</u>	<u>(7,613)</u>	<u>1,500,000</u>	<u>1,053,340</u>	<u>(446,660)</u>	<u>3,545,282</u>	<u>3,182,937</u>	<u>(362,345)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	1,511,792	1,063,161	448,631	7,230,824	6,496,342	734,482
Welfare	-	-	-	-	-	-	-	-	-
Culture	135,061	124,909	10,152	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	69,374	69,035	339
	<u>135,061</u>	<u>124,909</u>	<u>10,152</u>	<u>1,511,792</u>	<u>1,063,161</u>	<u>448,631</u>	<u>7,300,198</u>	<u>6,565,377</u>	<u>734,821</u>
	<u>135,061</u>	<u>124,909</u>	<u>10,152</u>	<u>1,511,792</u>	<u>1,063,161</u>	<u>448,631</u>	<u>7,300,198</u>	<u>6,565,377</u>	<u>734,821</u>
Revenues over (under) expenditures	(8,000)	(5,461)	2,539	(11,792)	(9,821)	1,971	(3,754,916)	(3,382,440)	372,476
<b>Other financing sources (uses)</b>									
Transfers in	8,000	5,461	(2,539)	11,792	9,821	(1,971)	3,754,916	3,382,440	(372,476)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>8,000</u>	<u>5,461</u>	<u>(2,539)</u>	<u>11,792</u>	<u>9,821</u>	<u>(1,971)</u>	<u>3,754,916</u>	<u>3,382,440</u>	<u>(372,476)</u>
	<u>8,000</u>	<u>5,461</u>	<u>(2,539)</u>	<u>11,792</u>	<u>9,821</u>	<u>(1,971)</u>	<u>3,754,916</u>	<u>3,382,440</u>	<u>(372,476)</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, 2007**

	Veterans Trust (2940)			Mental Health Buildings (2970)			Victim Restitution (2980)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 32,012	\$ 32,811	\$ 799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	8,000	6,537	(1,463)
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	5,000	4,731	(269)	1,700	1,941	241
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	291,911	299,045	7,134	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>32,012</u>	<u>32,811</u>	<u>799</u>	<u>296,911</u>	<u>303,776</u>	<u>6,865</u>	<u>9,700</u>	<u>8,478</u>	<u>(1,222)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	7,000	5,083	1,917
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	321,124	327,211	(6,087)	-	-	-
Welfare	32,012	32,811	(799)	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>32,012</u>	<u>32,811</u>	<u>(799)</u>	<u>321,124</u>	<u>327,211</u>	<u>(6,087)</u>	<u>7,000</u>	<u>5,083</u>	<u>1,917</u>
Revenues over (under) expenditures	-	-	-	(24,213)	(23,435)	778	2,700	3,395	695
<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>	-	-	-	(24,213)	(23,435)	778	2,700	3,395	695
Fund balance at beginning of year	-	-	-	24,213	24,213	-	46,238	46,238	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 778</u>	<u>\$ 778</u>	<u>\$ 48,938</u>	<u>\$ 49,633</u>	<u>\$ 695</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, 2007**

	Quality of Life (3111)			Hall of Justice Debt (3130)			Halmond Center Debt (3142)		
	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	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	67,000	89,611	22,611	-	-	-	1,300	557	(743)
Taxes	1,518,453	1,534,475	16,022	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	169,447	170,640	1,193
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,585,453</u>	<u>1,624,086</u>	<u>38,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,747</u>	<u>171,197</u>	<u>450</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	250	250	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	944	1,395	(451)
Welfare	-	-	-	-	-	-	-	-	-
Culture	450	472	(22)	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	850,000	850,000	-	225,000	225,000	-	140,000	140,000	-
Interest	548,543	548,543	-	263,674	263,674	-	29,803	29,802	1
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>1,398,993</u>	<u>1,399,015</u>	<u>(22)</u>	<u>488,924</u>	<u>488,924</u>	<u>-</u>	<u>170,747</u>	<u>171,197</u>	<u>(450)</u>
<b>Revenues over (under) expenditures</b>	<b>186,460</b>	<b>225,071</b>	<b>38,611</b>	<b>(488,924)</b>	<b>(488,924)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	488,924	488,924	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>488,924</b>	<b>488,924</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>186,460</b>	<b>225,071</b>	<b>38,611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>1,538,454</b>	<b>1,538,454</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 1,724,914</b>	<b>\$ 1,763,525</b>	<b>\$ 38,611</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2007*

	<b>Water and Sewer Debt - 3650</b>			
	<b>Original</b>	<b>Final</b>		<b>Difference</b>
	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	<b>(+/-)</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Operating grants and contributions	-	-	-	-
Charges for services	-	33,013	1,013	(32,000)
Fines and forfeitures	-	-	-	-
Investment income	1,000	20,592	1,810	(18,782)
Rentals	-	-	-	-
Special assessments	723,250	1,931,787	325,000	(1,606,787)
Contributions from private sources	-	-	-	-
Other	75	2,644	-	(2,644)
Total revenues	<u>724,325</u>	<u>1,988,036</u>	<u>327,823</u>	<u>(1,660,213)</u>
<b>Expenditures</b>				
<b>Current operations</b>				
Legislative	-	-	-	-
Judicial	-	-	-	-
General County government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture	-	-	-	-
Recreation	-	-	-	-
Other	1,234	2,970	-	2,970
Capital outlay	-	-	-	-
<b>Debt service</b>				
Principal payments	325,000	325,000	325,000	-
Interest	398,250	1,606,787	12,249	1,594,538
Other	320	320	-	320
Total expenditures	<u>724,804</u>	<u>1,935,077</u>	<u>337,249</u>	<u>1,597,828</u>
Revenues over (under) expenditures	<u>(479)</u>	<u>52,959</u>	<u>(9,426)</u>	<u>(62,385)</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>(479)</u>	<u>52,959</u>	<u>(9,426)</u>	<u>(62,385)</u>
Fund balance at beginning of year	46,899	46,899	46,899	-
Fund balance at end of year	<u>\$ 46,420</u>	<u>\$ 99,858</u>	<u>\$ 37,473</u>	<u>(\$ 62,385)</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, 5164,5165,5166)--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.

Muskegon County Land Bank (5500)--to record revenues received from, and the expenses made for, the returning of blighted, tax-reverted properties to productive and viable use.

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, 2007*

ASSETS	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2004 Delinquent Tax Revolving (5164)	2005 Delinquent Tax Revolving (5165)	2006 Delinquent Tax Revolving (5166)
<b>CURRENT ASSETS</b>						
Cash and cash investments	\$ 466,093	\$ 10,983	\$ 191,702	\$ -	\$ 2,160,960	\$ 521,555
Investments	884,901	20,852	363,955	-	4,102,692	990,199
Accounts receivable	-	-	-	-	12,400	-
Intergovernmental receivable	-	-	-	-	-	-
Accrued interest receivable	3,391	469	1,568	-	19,970	1,785
Current portion of delinquent taxes receivable	-	221,584	-	-	1,457,912	3,603,303
Current portion of interest and penalties receivable on delinquent taxes	-	57,247	-	-	335,320	396,364
Prepaid expenses	50,584	-	-	-	-	-
Restricted assets	-	-	-	-	-	-
Total current assets	<u>1,404,969</u>	<u>311,135</u>	<u>557,225</u>	<u>-</u>	<u>8,089,254</u>	<u>5,513,206</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>	<u>-</u>
Less accumulated depreciation	<u>(1,131,078)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Property and Equipment - net	<u>1,495,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ADVANCES TO OTHER FUNDS	-	-	60,349	-	1,069,615	-
DELINQUENT TAXES RECEIVABLE	-	-	-	-	485,971	4,404,037
INTEREST AND PENALTIES RECEIVABLE ON DELINQUENT TAXES	-	-	-	-	111,773	484,444
TOTAL ASSETS	<u>\$ 2,899,976</u>	<u>\$ 311,135</u>	<u>\$ 617,574</u>	<u>\$ -</u>	<u>\$ 9,756,613</u>	<u>\$ 10,401,687</u>

**County of Muskegon**

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

**September 30, 2007**

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2004 Delinquent Tax Revolving (5164)	2005 Delinquent Tax Revolving (5165)	2006 Delinquent Tax Revolving (5166)
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 1,825	\$ -	\$ 1,275	\$ -	\$ -	\$ -
Accrued liabilities	9,726	-	-	-	27,500	160,000
Current portion of long term debt	190,000	-	-	-	1,500,000	7,500,000
<b>Total current liabilities</b>	<b>201,551</b>	<b>-</b>	<b>1,275</b>	<b>-</b>	<b>1,527,500</b>	<b>7,660,000</b>
<b>NONCURRENT LIABILITIES</b>						
Tax anticipation notes payable	-	-	-	-	-	1,500,000
Long term advances from other funds	-	-	-	-	-	-
Long term debt	185,000	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>185,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500,000</b>
<b>TOTAL LIABILITIES</b>	<b>386,551</b>	<b>-</b>	<b>1,275</b>	<b>-</b>	<b>1,527,500</b>	<b>9,160,000</b>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	1,120,007	-	-	-	-	-
Unreserved	1,393,418	311,135	616,299	-	8,229,113	1,241,687
<b>TOTAL NET ASSETS</b>	<b>\$ 2,513,425</b>	<b>\$ 311,135</b>	<b>\$ 616,299</b>	<b>\$ -</b>	<b>\$ 8,229,113</b>	<b>\$ 1,241,687</b>

*County of Muskegon*

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

*September 30, 2007*

ASSETS	Muskegon County Land Bank (5500)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>CURRENT ASSETS</b>						
Cash and cash investments	\$ 453	\$ 444,574	\$ 131,690	\$ 26,732	\$ 1,206,204	\$ 5,160,946
Investments	61,208	844,048	250,021	50,752	2,290,040	9,858,668
Accounts receivable	-	-	20,901	-	445,935	479,236
Intergovernmental receivable	-	-	177,158	-	694,685	871,843
Accrued interest receivable	-	3,823	314	219	6,314	37,853
Current portion of delinquent taxes receivable	-	-	-	-	-	5,282,799
Current portion of interest and penalties receivable on delinquent taxes	-	-	-	-	-	788,931
Prepaid expenses	-	-	-	-	-	50,584
Restricted assets	-	130,054	-	-	-	130,054
<b>Total current assets</b>	<b>61,661</b>	<b>1,422,499</b>	<b>580,084</b>	<b>77,703</b>	<b>4,643,178</b>	<b>22,660,914</b>
<b>NONCURRENT ASSETS</b>						
Property and Equipment - at cost						
Land	-	-	199,487	-	-	199,487
Land improvements	-	-	-	-	-	676,091
Buildings	-	151,353	5,799,390	-	-	7,808,696
Machinery and equipment	-	66,267	6,495,869	45,000	-	6,699,177
Construction in progress	-	-	5,884	-	7,168,594	7,174,478
<b>Total Property and Equipment</b>	<b>-</b>	<b>217,620</b>	<b>12,500,630</b>	<b>45,000</b>	<b>7,168,594</b>	<b>22,557,929</b>
Less accumulated depreciation	-	(122,078)	(5,955,818)	(14,625)	-	(7,223,599)
<b>Property and Equipment - net</b>	<b>-</b>	<b>95,542</b>	<b>6,544,812</b>	<b>30,375</b>	<b>7,168,594</b>	<b>15,334,330</b>
ADVANCES TO OTHER FUNDS	-	-	-	-	-	1,129,964
DELINQUENT TAXES RECEIVABLE	-	-	-	-	-	4,890,008
INTEREST AND PENALTIES RECEIVABLE ON DELINQUENT TAXES	-	-	-	-	-	596,217
<b>TOTAL ASSETS</b>	<b>\$ 61,661</b>	<b>\$ 1,518,041</b>	<b>\$ 7,124,896</b>	<b>\$ 108,078</b>	<b>\$ 11,811,772</b>	<b>\$ 44,611,433</b>

*County of Muskegon*

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

*September 30, 2007*

	Muskegon County Land Bank (5500)	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	\$ 1,312	\$ -	\$ 46,441	\$ -	\$ 364,517	\$ 415,370
Accrued liabilities	-	9,672	353,412	417	198,760	759,487
Current portion of long term debt	-	-	-	-	120,000	9,310,000
<b>Total current liabilities</b>	<b>1,312</b>	<b>9,672</b>	<b>399,853</b>	<b>417</b>	<b>683,277</b>	<b>10,484,857</b>
<b>NONCURRENT LIABILITIES</b>						
Tax anticipation notes payable	-	-	-	-	-	1,500,000
Long term advances from other funds	60,349	-	-	-	-	60,349
Long term debt	-	-	-	-	7,780,000	7,965,000
<b>Total noncurrent liabilities</b>	<b>60,349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,780,000</b>	<b>9,525,349</b>
<b>TOTAL LIABILITIES</b>	<b>61,661</b>	<b>9,672</b>	<b>399,853</b>	<b>417</b>	<b>8,463,277</b>	<b>20,010,206</b>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	-	95,542	6,544,812	30,375	(731,406)	7,059,330
Unreserved	-	1,412,827	180,231	77,286	4,079,901	17,541,897
<b>TOTAL NET ASSETS</b>	<b>\$ -</b>	<b>\$ 1,508,369</b>	<b>\$ 6,725,043</b>	<b>\$ 107,661</b>	<b>\$ 3,348,495</b>	<b>\$ 24,601,227</b>

**County of Muskegon**

**Other Non-Major Proprietary Funds**

**Statement of Revenues, Expenses**

**and Changes in Fund Net Assets**

**For the the Year ended September 30, 2007**

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2004 Delinquent Tax Revolving (5164)	2005 Delinquent Tax Revolving (5165)	2006 Delinquent Tax Revolving (5166)
<b>Operating revenues</b>						
Charges for services	\$ 77,741	\$ -	\$ 530,190	\$ -	\$ -	\$ -
Interest and penalties on delinquent taxes	-	45,081	20,150	-	785,600	1,407,701
Other	33,395	-	95	-	-	-
	<u>111,136</u>	<u>45,081</u>	<u>550,435</u>	<u>-</u>	<u>785,600</u>	<u>1,407,701</u>
<b>Operating expenses</b>						
Salaries and fringe benefits	4,283	-	-	-	-	-
Supplies and other operating expenses	35,333	2,982	288,786	-	13,726	17,322
Interest expense	-	-	-	-	268,958	155,480
Depreciation and amortization	63,511	-	-	-	-	-
	<u>103,127</u>	<u>2,982</u>	<u>288,786</u>	<u>-</u>	<u>282,684</u>	<u>172,802</u>
<b>Operating income (loss)</b>	<b>8,009</b>	<b>42,099</b>	<b>261,649</b>	<b>-</b>	<b>502,916</b>	<b>1,234,899</b>
<b>Non-Operating revenues (expenses)</b>						
Operating subsidies	-	-	-	-	-	-
Interest income	47,513	2,628	19,361	-	329,727	6,788
Interest expense	(50,102)	-	-	-	-	-
Other (net)	-	-	-	-	-	-
	<u>(2,589)</u>	<u>2,628</u>	<u>19,361</u>	<u>-</u>	<u>329,727</u>	<u>6,788</u>
<b>Income (loss) before contributions and t transfers</b>	<b>5,420</b>	<b>44,727</b>	<b>281,010</b>	<b>-</b>	<b>832,643</b>	<b>1,241,687</b>
Capital contributions	-	-	-	-	-	-
Transfers in	194,580	-	-	-	7,398,756	-
Transfers (out)	-	-	(15,325)	(7,374,722)	(1,135,150)	-
	<u>194,580</u>	<u>-</u>	<u>(15,325)</u>	<u>(7,374,722)</u>	<u>6,263,606</u>	<u>-</u>
<b>NET INCOME (LOSS)</b>	<b>200,000</b>	<b>44,727</b>	<b>265,685</b>	<b>(7,374,722)</b>	<b>7,096,249</b>	<b>1,241,687</b>
Net Assets at beginning of ye ar	2,313,425	266,408	350,614	7,374,722	1,132,864	-
Net Assets at end of year	<u>\$ 2,513,425</u>	<u>\$ 311,135</u>	<u>\$ 616,299</u>	<u>\$ -</u>	<u>\$ 8,229,113</u>	<u>\$ 1,241,687</u>

**County of Muskegon**

**Other Non-Major Proprietary Funds**

**Statement of Revenues, Expenses**

**and Changes in Fund Net Assets**

**For the the Year ended September 30, 2007**

	Muskegon County Land Bank (5500)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>Operating revenues</b>						
Charges for services	\$ -	\$ -	\$ 381,169	\$ 51,480	\$ 1,678,336	\$ 2,718,916
Interest and penalties on delinquent taxes	-	-	-	-	-	2,258,532
Other	-	-	214	-	8,200	41,904
	<u>-</u>	<u>-</u>	<u>381,383</u>	<u>51,480</u>	<u>1,686,536</u>	<u>5,019,352</u>
<b>Operating expenses</b>						
Salaries and fringe benefits	-	74,701	1,859,851	7,848	232,321	2,179,004
Supplies and other operating expenses	15,325	5,623	895,859	7,268	1,774,562	3,056,786
Interest expense	-	-	-	-	-	424,438
Depreciation and amortization	-	5,011	538,346	4,500	-	611,368
	<u>15,325</u>	<u>85,335</u>	<u>3,294,056</u>	<u>19,616</u>	<u>2,006,883</u>	<u>6,271,596</u>
<b>Operating income (loss)</b>	<b>(15,325)</b>	<b>(85,335)</b>	<b>(2,912,673)</b>	<b>31,864</b>	<b>(320,347)</b>	<b>(1,252,244)</b>
<b>Non-Operating revenues (expenses)</b>						
Operating subsidies	-	-	2,343,553	-	2,189,116	4,532,669
Interest income	-	51,588	3,797	2,227	140,866	604,495
Interest expense	-	-	-	-	(374,328)	(424,430)
Other (net)	-	(38,543)	327	-	400,000	361,784
	<u>-</u>	<u>13,045</u>	<u>2,347,677</u>	<u>2,227</u>	<u>2,355,654</u>	<u>5,074,518</u>
<b>Income (loss) before contributions and t transfers</b>	<b>(15,325)</b>	<b>(72,290)</b>	<b>(564,996)</b>	<b>34,091</b>	<b>2,035,307</b>	<b>3,822,274</b>
Capital contributions	-	-	1,294,657	-	-	1,294,657
Transfers in	15,325	-	-	-	-	7,608,661
Transfers (out)	-	-	-	-	-	(8,525,197)
	<u>15,325</u>	<u>-</u>	<u>1,294,657</u>	<u>-</u>	<u>-</u>	<u>378,121</u>
<b>NET INCOME (LOSS)</b>	<b>-</b>	<b>(72,290)</b>	<b>729,661</b>	<b>34,091</b>	<b>2,035,307</b>	<b>4,200,395</b>
Net Assets at beginning of year	-	1,580,659	5,995,382	73,570	1,313,188	20,400,832
Net Assets at end of year	<u>\$ -</u>	<u>\$ 1,508,369</u>	<u>\$ 6,725,043</u>	<u>\$ 107,661</u>	<u>\$ 3,348,495</u>	<u>\$ 24,601,227</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS**

*For the Year ended September 30, 2007*

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2004 Delinquent Tax Revolving (5164)	2005 Delinquent Tax Revolving (5165)	2006 Delinquent Tax Revolving (5166)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers	\$ 77,741	\$ 45,081	\$ 906,458	\$ 11,571	\$ 773,200	\$ 1,407,701
Cash Payments to Suppliers of Goods and Services	(41,558)	(2,982)	(288,786)	-	(13,726)	(17,322)
Cash Payments to Employees for Services	(4,283)	-	-	-	-	-
Note Proceeds	-	-	-	-	-	9,000,000
Tax collections	-	-	-	-	-	6,358,028
Delinquent tax payments to municipalities	-	-	-	-	-	(15,358,028)
Interest paid	-	-	-	(20,000)	(418,375)	4,520
Other receipts (payments)	52,979	-	-	-	-	-
<b>Net cash provided by (used for) Operating Activities</b>	<b>84,879</b>	<b>42,099</b>	<b>617,672</b>	<b>(8,429)</b>	<b>341,099</b>	<b>1,394,899</b>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Tax collections	-	221,984	67	2,068,197	5,280,410	111,852
Note payments	-	-	-	(1,500,000)	(7,500,000)	-
Increase in investments	-	-	-	-	-	-
Long Term Advance from (to) other funds	-	-	(60,349)	1,342,728	(1,069,615)	-
Operating Subsidies and Grants	-	-	-	-	-	-
Transfers to other funds	-	-	(15,325)	(7,374,722)	(1,135,150)	-
Transfers from other funds	194,580	-	-	-	7,398,756	-
Advances from (to) other funds	-	(234,408)	(5,903)	-	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>194,580</b>	<b>(12,424)</b>	<b>(81,510)</b>	<b>(5,463,797)</b>	<b>2,974,401</b>	<b>111,852</b>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal payments on long term debt	(200,000)	-	-	-	-	-
Capital contributions	-	-	-	-	-	-
Interest payments on long term debt	(55,517)	-	-	-	-	-
Purchase of capital assets	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(255,517)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

*For the Year ended September 30, 2007*

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2004 Delinquent Tax Revolving (5164)	2005 Delinquent Tax Revolving (5165)	2006 Delinquent Tax Revolving (5166)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Proceeds from sales and maturities of investments	763,964	-	-	4,563,511	775,161	-
Purchase of investments	(569,683)	(20,852)	(363,955)	-	(2,641,239)	(990,199)
Interest received from investment pool	57,426	2,160	19,495	103,389	316,841	5,003
Net cash provided by investing activities	<u>251,707</u>	<u>(18,692)</u>	<u>(344,460)</u>	<u>4,666,900</u>	<u>(1,549,237)</u>	<u>(985,196)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>275,649</b>	<b>10,983</b>	<b>191,702</b>	<b>(805,326)</b>	<b>1,766,263</b>	<b>521,555</b>
Cash and cash equivalents, September 30, 2006	<u>190,444</u>	<u>-</u>	<u>-</u>	<u>805,326</u>	<u>394,697</u>	<u>-</u>
Cash and cash equivalents, September 30, 2007	<u><u>\$ 466,093</u></u>	<u><u>\$ 10,983</u></u>	<u><u>\$ 191,702</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,160,960</u></u>	<u><u>\$ 521,555</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>						
Operating income (loss)	<u>\$ 8,009</u>	<u>\$ 42,099</u>	<u>\$ 261,649</u>	<u>\$ -</u>	<u>\$ 502,916</u>	<u>\$ 1,234,899</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	63,511	-	-	-	-	-
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	-	-	356,023	11,571	(12,400)	-
Increase (decrease) in accounts payable	(6,225)	-	-	-	-	-
(Increase) decrease in prepaid expenses	19,584	-	-	-	-	-
(Increase) decrease in restricted assets	-	-	-	-	-	-
Increase (decrease) in accruals	-	-	-	(20,000)	(149,417)	160,000
Total Adjustments	<u>76,870</u>	<u>-</u>	<u>356,023</u>	<u>(8,429)</u>	<u>(161,817)</u>	<u>160,000</u>
Net cash provided by (used for) operations	<u><u>\$ 84,879</u></u>	<u><u>\$ 42,099</u></u>	<u><u>\$ 617,672</u></u>	<u><u>(\$ 8,429)</u></u>	<u><u>\$ 341,099</u></u>	<u><u>\$ 1,394,899</u></u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS**

*For the Year ended September 30, 2007*

	Muskegon County Land Bank (5500)	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	\$ -	\$ -	\$ 402,132	\$ 51,480	\$ 1,175,450	\$ 4,850,814
Cash Payments to Suppliers of Goods and Services	(14,013)	(11,166)	(904,687)	(7,268)	(3,330,699)	(4,632,207)
Cash Payments to Employees for Services	-	(70,894)	(1,810,394)	(7,886)	(193,850)	(2,087,307)
Note Proceeds	-	-	-	-	-	9,000,000
Tax collections	-	-	-	-	-	6,358,028
Delinquent tax payments to municipalities	-	-	-	-	-	(15,358,028)
Interest paid	-	-	-	-	-	(433,855)
Other receipts (payments)	-	-	-	-	8,200	61,179
<b>Net cash provided by (used for) Operating Activities</b>	<b>(14,013)</b>	<b>(82,060)</b>	<b>(2,312,949)</b>	<b>36,326</b>	<b>(2,340,899)</b>	<b>(2,241,376)</b>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Tax collections	-	-	-	-	-	7,682,510
Note payments	-	-	-	-	-	(9,000,000)
Increase in investments	(60,349)	-	-	-	-	(60,349)
Long Term Advance from (to) other funds	60,349	-	-	-	-	273,113
Operating Subsidies and Grants	-	-	2,343,553	-	2,589,116	4,932,669
Transfers to other funds	-	-	-	-	-	(8,525,197)
Transfers from other funds	15,325	-	-	-	-	7,608,661
Advances from (to) other funds	-	-	-	-	-	(240,311)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>15,325</b>	<b>-</b>	<b>2,343,553</b>	<b>-</b>	<b>2,589,116</b>	<b>2,671,096</b>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal payments on long term debt	-	-	-	-	-	(200,000)
Capital contributions	-	-	1,294,658	-	-	1,294,658
Interest payments on long term debt	-	-	-	-	(275,991)	(331,508)
Purchase of capital assets	-	-	(1,300,542)	-	-	(1,300,542)
Construction in progress	-	-	-	-	(2,592,545)	(2,592,545)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(5,884)</b>	<b>-</b>	<b>(2,868,536)</b>	<b>(3,129,937)</b>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

*For the Year ended September 30, 2007*

	Muskegon County Land Bank (5500)	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	-	1,216,505	235,778	14,830	4,234,236	11,803,985
Purchase of investments	(859)	(950,392)	(160,958)	(32,673)	(1,474,286)	(7,205,096)
Interest received from investment pool	-	64,610	3,644	2,444	175,398	750,410
Net cash provided by investing activities	<u>(859)</u>	<u>330,723</u>	<u>78,464</u>	<u>(15,399)</u>	<u>2,935,348</u>	<u>5,349,299</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>						
	453	248,663	103,184	20,927	315,029	2,649,082
Cash and cash equivalents, September 30, 2006	-	195,911	28,506	5,805	891,175	2,511,864
Cash and cash equivalents, September 30, 2007	<u>\$ 453</u>	<u>\$ 444,574</u>	<u>\$ 131,690</u>	<u>\$ 26,732</u>	<u>\$ 1,206,204</u>	<u>\$ 5,160,946</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>						
Operating income (loss)	<u>(\$ 15,325)</u>	<u>(\$ 85,335)</u>	<u>(\$ 2,912,673)</u>	<u>\$ 31,864</u>	<u>(\$ 320,347)</u>	<u>(\$ 1,252,244)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	-	5,011	538,346	4,500	-	611,368
<b>Changes in Assets and Liabilities:</b>						
(Increase) decrease in accounts receivable	-	-	20,749	-	(502,886)	(126,943)
Increase (decrease) in accounts payable	1,312	-	(8,828)	-	(1,556,137)	(1,569,878)
(Increase) decrease in prepaid expenses	-	-	-	-	-	19,584
(Increase) decrease in restricted assets	-	(5,543)	-	-	-	(5,543)
Increase (decrease) in accruals	-	3,807	49,457	(38)	38,471	82,280
Total Adjustments	<u>1,312</u>	<u>3,275</u>	<u>599,724</u>	<u>4,462</u>	<u>(2,020,552)</u>	<u>(989,132)</u>
Net cash provided by (used for) operations	<u>(\$ 14,013)</u>	<u>(\$ 82,060)</u>	<u>(\$ 2,312,949)</u>	<u>\$ 36,326</u>	<u>(\$ 2,340,899)</u>	<u>(\$ 2,241,376)</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, 2007*

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	\$ 47,134	\$ 12,230	\$ 345,373	\$ 1,948,347	\$ 706,254	\$ 3,059,338
Investments	89,485	23,219	655,707	7,588,890	1,340,858	9,698,159
Accounts receivable	10,398	-	59	14,137	-	24,594
Accrued interest receivable	122	-	2,771	28,021	-	30,914
Total current assets	<u>147,139</u>	<u>35,449</u>	<u>1,003,910</u>	<u>9,579,395</u>	<u>2,047,112</u>	<u>12,813,005</u>
<b>NONCURRENT ASSETS</b>						
Long-term note receivable	-	-	3,046,561	200,000	-	3,246,561
Long-term advance to other funds	-	-	-	981,251	-	981,251
<b>Property and Equipment - at cost</b>						
Land	-	-	444,908	-	-	444,908
Buildings	-	-	1,592,151	-	-	1,592,151
Machinery and equipment	-	-	11,063,893	-	-	11,063,893
Construction in progress	-	-	2,180	-	-	2,180
Total Property and Equipment	<u>-</u>	<u>-</u>	<u>13,103,132</u>	<u>-</u>	<u>-</u>	<u>13,103,132</u>
Less accumulated depreciation	-	-	(8,982,980)	-	-	(8,982,980)
Total Property and Equipment - net	<u>-</u>	<u>-</u>	<u>4,120,152</u>	<u>-</u>	<u>-</u>	<u>4,120,152</u>
<b>TOTAL ASSETS</b>	<u>\$ 147,139</u>	<u>\$ 35,449</u>	<u>\$ 8,170,623</u>	<u>\$ 10,760,646</u>	<u>\$ 2,047,112</u>	<u>\$ 21,160,969</u>

*County of Muskegon*

*Internal Service Funds  
Combining Balance Sheet*

*September 30, 2007*

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	\$ 8,310	\$ 28,901	\$ 50,521	\$ 1,423,029	\$ -	\$ 1,510,761
Current portion of long term debt	-	-	1,642,236	-	-	1,642,236
Accrued liabilities	65,547	6,548	24,381	5,777,804	-	5,874,280
Total current liabilities	<u>73,857</u>	<u>35,449</u>	<u>1,717,138</u>	<u>7,200,833</u>	<u>-</u>	<u>9,027,277</u>
<b>NONCURRENT LIABILITIES</b>						
Land Contract Payable	-	-	32,067	-	-	32,067
Long-term Debt	-	-	2,400,154	-	-	2,400,154
Long-term advances from other funds	-	-	567,118	-	-	567,118
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>2,999,339</u>	<u>-</u>	<u>-</u>	<u>2,999,339</u>
<b>TOTAL LIABILITIES</b>	<u>73,857</u>	<u>35,449</u>	<u>4,716,477</u>	<u>7,200,833</u>	<u>-</u>	<u>12,026,616</u>
<b>NET ASSETS</b>						
Invested in capital assets - net of related debt	-	-	3,454,146	-	-	3,454,146
Unreserved	73,282	-	-	3,559,813	2,047,112	5,680,207
<b>TOTAL NET ASSETS</b>	<u>\$ 73,282</u>	<u>\$ -</u>	<u>\$ 3,454,146</u>	<u>\$ 3,559,813</u>	<u>\$ 2,047,112</u>	<u>\$ 9,134,353</u>

*County of Muskegon*

*Internal Service Funds*

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

*Year ended September 30, 2007*

	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>Operating revenues</b>						
Premiums	\$ -	\$ -	\$ -	\$ 15,470,705	\$ -	\$ 15,470,705
Rents	-	731,079	1,253,718	-	-	1,984,797
Other	622,469	-	646,432	1,313,891	-	2,582,792
	<u>622,469</u>	<u>731,079</u>	<u>1,900,150</u>	<u>16,784,596</u>	<u>-</u>	<u>20,038,294</u>
<b>Operating expenses</b>						
Salaries and fringes	171,557	177,450	20,353	988,307	-	1,357,667
Supplies and other operating expenses	480,275	544,903	626,359	220,631	-	1,872,168
Insurance benefits and claims	-	-	-	930,056	320,281	1,250,337
Insurance premiums	-	8,726	992	18,321,200	-	18,330,918
Interest expense	-	-	199,307	-	-	199,307
Depreciation	-	-	1,043,336	-	-	1,043,336
	<u>651,832</u>	<u>731,079</u>	<u>1,890,347</u>	<u>20,460,194</u>	<u>320,281</u>	<u>24,053,733</u>
<b>Operating income (loss)</b>	(29,363)	-	9,803	(3,675,598)	(320,281)	(4,015,439)
<b>Non-Operating revenues (expenses)</b>						
Investment income	2,104	-	32,620	414,943	119,650	569,317
Other	-	-	(1,453)	-	-	(1,453)
	<u>2,104</u>	<u>-</u>	<u>31,167</u>	<u>414,943</u>	<u>119,650</u>	<u>567,864</u>
<b>NET INCOME (LOSS)</b>	(27,259)	-	40,970	(3,260,655)	(200,631)	(3,447,575)
Net Assets at beginning of year	100,541	-	3,413,176	6,820,468	2,247,743	12,581,928
Net Assets at end of year	<u>\$ 73,282</u>	<u>\$ -</u>	<u>\$ 3,454,146</u>	<u>\$ 3,559,813</u>	<u>\$ 2,047,112</u>	<u>\$ 9,134,353</u>

County of Muskegon

Governmental Activities Internal Service Funds

Statement of Cash Flows

For the Year ended September 30, 2007

	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	\$ 621,902	\$ 731,079	\$ 1,908,305	\$ 16,775,096	\$ -	\$ 20,036,382
Cash Payments to Suppliers of Goods and Services	(484,220)	(566,144)	(865,941)	(18,189,564)	(320,281)	(20,426,150)
Cash Payments to Employees for Services	(163,401)	(174,601)	(20,353)	(988,307)	-	(1,346,662)
Net cash provided by (used for) Operating Activities	<u>(25,719)</u>	<u>(9,666)</u>	<u>1,022,011</u>	<u>(2,402,775)</u>	<u>(320,281)</u>	<u>(1,736,430)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances to other funds	-	-	(36,741)	-	-	(36,741)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(36,741)</u>	<u>-</u>	<u>-</u>	<u>(36,741)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal payments on long term debt	-	-	(1,488,729)	-	-	(1,488,729)
Note Issuance	-	-	-	-	-	-
Principal received (paid) on long term advances	-	-	(78,519)	78,394	-	(125)
Sales of Assets	-	-	24,634	-	-	24,634
Purchase of capital assets	-	-	(1,374,871)	-	-	(1,374,871)
Construction in Progress	-	-	655,035	-	-	655,035
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(2,262,450)</u>	<u>78,394</u>	<u>-</u>	<u>(2,184,056)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Payments received on Note receivable	-	-	1,272,364	-	-	1,272,364
Proceeds from sales and maturities of investments	103,806	30,077	573,874	4,437,722	1,427,584	6,573,063
Purchase of investments	(57,610)	(14,948)	(422,133)	(2,381,373)	(863,221)	(3,739,285)
Interest received from investment pool	2,713	-	40,957	529,278	125,957	698,905
Net cash provided by investing activities	<u>48,909</u>	<u>15,129</u>	<u>1,465,062</u>	<u>2,585,627</u>	<u>690,320</u>	<u>4,805,047</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>23,190</b>	<b>5,463</b>	<b>187,882</b>	<b>261,246</b>	<b>370,039</b>	<b>847,820</b>
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>
Cash and cash equivalents, September 30, 2007	<u>\$ 47,134</u>	<u>\$ 12,230</u>	<u>\$ 345,373</u>	<u>\$ 1,948,347</u>	<u>\$ 706,254</u>	<u>\$ 3,059,338</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, 2007

	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)	(\$ 29,363)	\$ -	\$ 9,803	(\$ 3,675,598)	(\$ 320,281)	(\$ 4,015,439)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	-	-	1,043,336	-	-	1,043,336
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	(567)	-	8,155	(9,500)	-	(1,912)
Increase (decrease) in accounts payable	(3,945)	(12,515)	(34,986)	998,676	-	947,230
Increase (decrease) in accrued liabilities	8,156	2,849	(4,297)	283,647	-	290,355
Total Adjustments	3,644	(9,666)	1,012,208	1,272,823	-	2,279,009
Net cash provided by (used for) operations	(\$ 25,719)	(\$ 9,666)	\$ 1,022,011	(\$ 2,402,775)	(\$ 320,281)	(\$ 1,736,430)

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, 2007

	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	\$ 10,968,346	\$ 128,752	\$ 3,225,855	\$ 1,260,279	\$ 72,367	\$ 258,333	\$ 82,172	\$ 34,061	\$ 16,030,165
Accounts receivable	557,889	-	205,436	-	-	-	-	-	763,325
Accrued interest receivable	-	562	7,166	3,498	199	-	299	100	11,824
	<u>\$ 11,526,235</u>	<u>\$ 129,314</u>	<u>\$ 3,438,457</u>	<u>\$ 1,263,777</u>	<u>\$ 72,566</u>	<u>\$ 258,333</u>	<u>\$ 82,471</u>	<u>\$ 34,161</u>	<u>\$ 16,805,314</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 23,497	\$ -	\$ 67,113	\$ -	\$ 945	\$ 27,761	\$ 6,461	\$ -	\$ 125,777
Intergovernmental payable	595,862	-	926,527	-	-	-	-	-	1,522,389
Undistributed current and delinquent taxes	8,063,156	-	-	-	-	-	-	-	8,063,156
Trust deposits	2,351,762	-	-	-	-	-	-	-	2,351,762
Accrued liabilities	-	-	60,588	114,912	687	-	-	-	176,187
Unallocated receipts	469,311	129,314	2,384,229	1,148,865	70,934	230,572	76,010	34,161	4,543,396
Fines and Fees due to local municipalities and libraries	22,647	-	-	-	-	-	-	-	22,647
	<u>\$ 11,526,235</u>	<u>\$ 129,314</u>	<u>\$ 3,438,457</u>	<u>\$ 1,263,777</u>	<u>\$ 72,566</u>	<u>\$ 258,333</u>	<u>\$ 82,471</u>	<u>\$ 34,161</u>	<u>\$ 16,805,314</u>

*County of Muskegon*

*Agency Funds*

**COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES**  
*For the Year ended September 30, 2007*

	<u>Balance Oct. 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2007</u>
<b>Trust and Agency (7010)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 14,206,123	\$ 110,564,362	\$ 113,802,139	\$ 10,968,346
Accounts receivable	214,819	835,976	492,906	557,889
	<u>\$ 14,420,942</u>	<u>\$ 111,400,338</u>	<u>\$ 114,295,045</u>	<u>\$ 11,526,235</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 13,210	\$ 64,753,065	\$ 64,742,778	\$ 23,497
Intergovernmental payable	879,161	8,166,799	8,450,098	595,862
Undistributed current and delinquent taxes	11,001,077	78,295,279	81,233,200	8,063,156
Fines and fees due to local municipalities and libraries	23,646	344,348	345,347	22,647
Trust deposits	2,316,125	22,690,997	22,655,360	2,351,762
Unallocated receipts	187,723	10,597,295	10,315,707	469,311
	<u>\$ 14,420,942</u>	<u>\$ 184,847,783</u>	<u>\$ 187,742,490</u>	<u>\$ 11,526,235</u>
<b>Library Penal Fines (7210)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 143,365	\$ 536,618	\$ 551,231	\$ 128,752
Accrued interest receivable	4,200	12,466	16,104	562
	<u>\$ 147,565</u>	<u>\$ 549,084</u>	<u>\$ 567,335</u>	<u>\$ 129,314</u>
<b>LIABILITIES</b>				
Unallocated receipts	\$ 147,565	\$ 706,093	\$ 724,344	\$ 129,314
	<u>\$ 147,565</u>	<u>\$ 706,093</u>	<u>\$ 724,344</u>	<u>\$ 129,314</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2007

	Balance Oct. 1, 2006	Additions	Deductions	Balance Sept. 30, 2007
<b>Central Dispatch (7708)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 5,724,898	\$ 3,840,712	\$ 6,339,755	\$ 3,225,855
Accounts receivable	226,318	1,260,764	1,281,646	205,436
Accrued interest receivable	35,562	105,601	133,997	7,166
	<u>\$ 5,986,778</u>	<u>\$ 5,207,077</u>	<u>\$ 7,755,398</u>	<u>\$ 3,438,457</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 23,432	\$ 1,477,791	\$ 1,434,110	\$ 67,113
Intergovernmental payable	3,013,308	-	2,086,781	926,527
Accrued liabilities	52,761	141,895	134,068	60,588
Unallocated receipts	2,897,277	1,372,673	1,885,721	2,384,229
	<u>\$ 5,986,778</u>	<u>\$ 2,992,359</u>	<u>\$ 5,540,680</u>	<u>\$ 3,438,457</u>
<b>District Library (7810)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ -	\$ 3,553,229	\$ 2,292,950	\$ 1,260,279
Accounts receivable	44,054	-	44,054	-
Accrued interest receivable	625	33,146	30,273	3,498
	<u>\$ 44,679</u>	<u>\$ 3,586,375</u>	<u>\$ 2,367,277</u>	<u>\$ 1,263,777</u>
<b>LIABILITIES</b>				
Intergovernmental payable	9,674	300,000	309,674	-
Accrued liabilities	35,005	160,128	80,221	114,912
Unallocated receipts	-	1,156,460	7,595	1,148,865
	<u>\$ 44,679</u>	<u>\$ 1,616,588</u>	<u>\$ 397,490</u>	<u>\$ 1,263,777</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2007

	Balance Oct. 1, 2006	Additions	Deductions	Balance Sept. 30, 2007
<b>Labor Management Program (7910)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 65,613	\$ 74,915	\$ 68,161	\$ 72,367
Accrued interest receivable	682	2,396	2,879	199
	<u>\$ 66,295</u>	<u>\$ 77,311</u>	<u>\$ 71,040</u>	<u>\$ 72,566</u>
Accounts payable	\$ 8,328	\$ 49,827	\$ 57,210	\$ 945
Accrued liabilities	642	687	642	687
Unallocated receipts	57,325	71,734	58,125	70,934
	<u>\$ 66,295</u>	<u>\$ 122,248</u>	<u>\$ 115,977</u>	<u>\$ 72,566</u>
<b>CMH Client Funds (7930)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 232,872	\$ 3,511,701	\$ 3,486,240	\$ 258,333
	<u>\$ 232,872</u>	<u>\$ 3,511,701</u>	<u>\$ 3,486,240</u>	<u>\$ 258,333</u>
Accounts payable	\$ 893	\$ 3,483,443	\$ 3,456,575	\$ 27,761
Unallocated receipts	231,979	3,537,151	3,538,558	230,572
	<u>\$ 232,872</u>	<u>\$ 7,020,594</u>	<u>\$ 6,995,133</u>	<u>\$ 258,333</u>
<b>Muskegon Veterans Affairs (7940)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 53,570	\$ 330,601	\$ 301,999	\$ 82,172
Accrued interest receivable	1,104	3,681	4,486	299
	<u>\$ 54,674</u>	<u>\$ 334,282</u>	<u>\$ 306,485</u>	<u>\$ 82,471</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,730	\$ 267,492	\$ 262,761	\$ 6,461
Unallocated receipts	52,944	329,421	306,355	76,010
	<u>\$ 54,674</u>	<u>\$ 596,913</u>	<u>\$ 569,116</u>	<u>\$ 82,471</u>
<b>Orchard View (7982)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 32,659	\$ 1,640	\$ 238	\$ 34,061
Accrued interest receivable	412	1,328	1,640	100
	<u>\$ 33,071</u>	<u>\$ 2,968</u>	<u>\$ 1,878</u>	<u>\$ 34,161</u>
<b>LIABILITIES</b>				
Unallocated receipts	\$ 33,071	\$ 1,328	\$ 238	\$ 34,161

*County of Muskegon*

*Agency Funds*

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

*For the Year ended September 30, 2007*

	<u>Balance Oct. 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2007</u>
<b>TOTALS - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 20,459,100	\$ 122,413,778	\$ 126,842,713	\$ 16,030,165
Accounts receivable	485,191	2,096,740	1,818,606	763,325
Accrued interest receivable	42,585	158,618	189,379	11,824
	<u>\$ 20,986,876</u>	<u>\$ 124,669,136</u>	<u>\$ 128,850,698</u>	<u>\$ 16,805,314</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 47,593	\$ 70,031,618	\$ 69,953,434	\$ 125,777
Accrued liabilities	88,408	1,459,170	222,526	1,325,052
Undistributed current and delinquent taxes	11,001,077	78,295,279	81,233,200	8,063,156
Intergovernmental payable	3,902,143	9,323,259	10,544,474	1,522,389
Fines and fees due to local municipalities and libraries	23,646	344,348	345,347	22,647
Trust deposits	2,316,125	22,690,997	22,655,360	2,351,762
Unallocated receipts	3,607,884	16,615,695	16,829,048	3,394,531
	<u>\$ 20,986,876</u>	<u>\$ 198,760,366</u>	<u>\$ 201,783,389</u>	<u>\$ 16,805,314</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 170

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 179

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

Debt Capacity 183

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 188

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

Operating Information 190

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 Eight Fiscal Years**  
**(Accrual basis of Accounting)**  
**(amounts express in thousands)**  
(Unaudited)

<u>Fiscal Year</u>	<u>2007</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	\$40,455	\$41,018	\$39,164	\$42,253	\$42,415	\$41,674	\$38,030	\$38,744
Restricted	12,686	18,876	21,604	16,160	7,444	10,581	9,288	3,915
Unrestricted	<u>22,584</u>	<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>\$75,725</u>	<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	\$98,080	\$91,214	\$85,437	\$84,950	\$83,729	\$74,190	\$84,257	\$76,541
Restricted	2,021	2,594	3,464	1,917	3,670	8,947	9,443	4,146
Unrestricted	<u>21,087</u>	<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>\$121,188</u>	<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	\$138,535	\$132,232	\$124,601	\$127,203	\$126,144	\$115,864	\$122,287	\$115,285
Restricted	14,707	21,470	25,068	18,077	11,114	19,528	18,731	8,061
Unrestricted	<u>43,671</u>	<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>\$196,913</u>	<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>

Implemented GASB34 in fiscal year 2001, prior information is not available.

# County of Muskegon

## CHANGES IN NET ASSETS

Last Seven Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	Fiscal Year						
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Expenses</b>							
Governmental Activities							
Judicial	\$8,333	\$8,173	\$7,801	\$7,704	\$7,463	\$7,031	\$6,387
General County Government	27,216	20,971	22,972	20,814	19,442	19,840	19,216
Public Safety	13,442	13,219	12,923	12,619	11,844	10,804	10,707
Health	113,300	109,598	103,897	103,018	112,286	89,691	105,304
Welfare	10,210	9,178	7,668	8,507	8,855	7,745	7,197
Other	2,199	2,983	3,247	3,279	3,378	3,185	3,075
Debt Service expenses	<u>1,007</u>	<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>175,707</u>	<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	3,600	3,526	794	3,988	3,267	1,194	1,196
Airport	2,424	2,474	2,764	2,131	2,763	2,685	2,408
Wastewater	14,608	15,023	15,155	14,604	14,418	13,559	14,725
Other Proprietary Funds	<u>6,334</u>	<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>26,966</u>	<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>\$202,673</u>	<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 - continued**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**  
(Unaudited)

	Fiscal Year						
	<u>2007</u>	<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	\$3,277	\$2,949	\$2,919	\$2,929	\$2,507	\$2,469	\$2,456
General County Government	6,432	6,086	6,425	7,213	7,324	6,082	6,515
Public Safety	1,046	730	842	1,034	1,698	543	1,210
Health	76,698	72,247	74,835	78,776	85,638	66,121	82,372
Other Activities	1,656	1,408	1,738	1,047	36	1,095	1,006
Operating Grants and Contributions	35,229	33,518	30,783	33,629	32,283	33,340	30,573
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800</u>	<u>1,488</u>	<u>1,003</u>
Total Governmental Program Activities Revenues	<u>124,338</u>	<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	13,832	12,640	12,281	12,796	10,656	11,102	10,326
Other	8,700	7,618	6,521	4,401	6,362	5,824	4,788
Operating Grants and Contributions	5,215	2,982	2,828	4,904	2,416	2,371	1,991
Capital Grants and Contributions	<u>5,829</u>	<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>33,576</u>	<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>157,914</u>	<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	(51,369)	(48,426)	(42,128)	(32,427)	(34,167)	(28,285)	(27,764)
Business-Type Activities	<u>6,610</u>	<u>(1,556)</u>	<u>611</u>	<u>274</u>	<u>(2,210)</u>	<u>4,961</u>	<u>(1,569)</u>

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

	Fiscal Year						
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Total Primary Government net expense	(\$44,759)	<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	\$36,902	\$35,076	\$31,294	\$24,227	\$23,196	\$22,013	\$20,769
Investment Earnings	2,505	2,158	1,149	759	927	753	3,219
Other	<u>7,718</u>	<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>47,125</u>	<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	1,564	1,260	958	586	875	1,505	1,719
Other	<u>485</u>	<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>2,049</u>	<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>\$49,174</u>	<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	(\$4,244)	\$18,716	\$667	\$778	(\$237)	\$1,320	\$3,420
Business-Type Activities	<u>8,659</u>	<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>\$4,415</u>	<u>\$18,768</u>	<u>\$1,403</u>	<u>\$1,447</u>	<u>(\$1,616)</u>	<u>\$10,160</u>	<u>\$4,769</u>

Implemented GASB34 in fiscal year 2001, prior information is not available.

# 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>2007</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>
General fund										
Reserved	\$589	\$589	\$589	\$589	\$589	\$1,305	\$1,305	\$1,305	\$1,305	\$619
Unreserved	<u>8,071</u>	<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>
Total General fund	<u>\$8,660</u>	<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>
All other governmental funds										
Reserved	\$1,858	\$1,317	\$1,453	\$933	\$800	\$800	\$800	\$901	\$946	\$832
Unreserved, reported in:										
Special revenue funds	16,036 <sup>(1)</sup>	12,405 <sup>(1)</sup>	8,219 <sup>(1)</sup>	4,271	3,908	4,319	3,434	2,482	2,286	2,630
Debt Service	1,801	1,585	1,761	1,541	1,713	1,799	1,723	3,756	3,701	3,641
Capital projects funds <sup>(2)</sup>	7,661	14,026	5,404	3,451	3,201	5,085	4,684	1,892	3,089	1,803
Permanent funds	<u>51</u>	<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>
Total all other governmental funds	<u>\$27,407</u>	<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>

(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>2007</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>
Revenues										
Taxes	\$36,902	\$35,076	\$31,294	\$24,226	\$23,196	\$22,013	\$20,769	\$19,694	\$18,691	\$17,210
Operating grants and contributions	35,229	33,518	30,783	33,629	32,283	33,478	31,576	31,462	27,991	37,396
Charges for services	87,132	83,420	84,748	89,003	95,231	74,926	90,546	55,306	54,243	43,644
Other	<u>8,734</u>	<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>
Total Revenues	<u>167,997</u>	<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>
Expenditures										
Judicial	8,294	8,136	7,758	7,663	7,420	6,990	6,326	5,164	4,560	5,801
General County Government	20,574	17,786	17,143	17,158	16,496	15,298	12,570	15,302	13,944	12,753
Public Safety	13,243	13,016	12,712	12,379	11,570	10,596	10,448	9,668	9,270	9,853
Health	112,990	109,301	100,254	101,563	110,357	89,440	103,256	69,386	66,466	64,347
Welfare	10,103	9,070	7,551	8,383	8,728	7,615	7,069	6,569	6,559	7,555
Other	1,987	2,598	3,017	3,047	3,158	3,015	2,908	3,057	2,916	2,920
Capital Outlay	1,706	1,132	3,918	1,310	3,434	6,563	7,751	3,012	6,769	8,168
Debt Service										
Principal	1,540	6,460	2,285	2,040	2,140	2,480	2,380	2,275	2,140	2,005
Interest	864	1,242	1,074	1,039	1,130	1,066	922	1,009	1,226	1,138
Other	<u>143</u>	<u>162</u>	<u>88</u>	<u>75</u>	<u>55</u>	<u>61</u>	<u>92</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>171,444</u>	<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>

**County of Muskegon**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS - continued**

*Last Ten Fiscal Years*

*(modified accrual basis of accounting)*

*(amounts express in thousands)*

(Unaudited)

	Fiscal Year									
	<u>2007</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>
Excess of revenues over (under) expenditures	(3,447)	(8,262)	309	306	(4,659)	(4,083)	(1,879)	18	(4,764)	(8,071)
Transfers in	17,066	15,506	15,249	11,410	14,681	11,283	11,161	7,910	10,316	9,768
Transfers out	(17,494)	(15,511)	(14,081)	(10,874)	(12,853)	(12,193)	(12,085)	(8,997)	(8,841)	(10,756)
Bonds issued	995	20,580	-	-	-	6,500	6,500	-	2,680	-
Notes issued	-	-	5,000	-	-	-	-	-	-	-
Sale of Capital Assets	<u>1,460</u>	<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>
Total other financing sources (uses)	<u>2,027</u>	<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>
Net change in fund balances	<u>(\$1,420)</u>	<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>
Debt service as a percentage of noncapital expenditures	1.52%	4.92%	2.32%	2.10%	2.11%	2.71%	2.38%	3.01%	3.25%	3.04%

## ***County of Muskegon***

### **GOVERNMENTAL FUNDS REVENUES BY SOURCE**

***Last Eight Fiscal Years***

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

***(amounts expressed in thousands)***

(Unaudited)

<b><u>Fiscal Year</u></b>	<b><u>Charges for Services</u></b>	<b><u>Operating Grants and Contributions</u></b>	<b><u>Property Taxes</u></b>	<b><u>Investment Earnings</u></b>	<b><u>Rentals</u></b>	<b><u>Other Revenues and Donations</u></b>	<b><u>Total</u></b>
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
2007	87,132	35,229	36,902	1,936	982	5,816	167,997

Implemented GASB34 in fiscal year 2001, prior information is not available.

# ***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>
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
2007	35,761	840	301	36,902

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

	2007			1997		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Consumers Energy	131,109	1	2.92 %	102,526	1	4.10 %
Howmet Corp (c/o Alcoa Co)	46,764	2	1.04	26,221	4	1.00
Sappi Paper Products	35,859	3	0.80	59,962	2	2.40
Hayes-Lemmerz International	31,786	4	0.71			
DTE Energy	29,877	5	0.66	32,022	3	1.30
Sun Chemical of Michigan LLC	25,744	6	0.57	21,109	6	0.80
Meijer Inc	19,973	7	0.44			
THF Fruitport Dev LP	16,650	8	0.37			
Johnson Technology Inc.	15,777	9	0.35			
L3 Communications Corp	14,768	10	0.33			
SPX				26,155	5	1.00
Horizon Oulets				14,817	7	0.60
Lorin Industries				14,774	8	0.60
Brunswick				12,497	9	0.50
Lomac				<u>10,908</u>	10	<u>0.40</u>
Totals	<u>\$368,307</u>		<u>8.19</u> %	<u>\$320,991</u>		<u>12.70</u> %

Source: Equalization Department

# County of Muskegon

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

DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten 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	6.40	0.36	6.76	7.11	0.00	7.11	20.17	7.00	27.17	41.04
2007	6.40	0.34	6.74	7.06	0.00	7.06	20.25	7.00	27.25	41.05

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 TAXABLE VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(in millions of dollars)

(Unaudited)

Fiscal Year Ended	Assessed Value			Taxable Value			Total	Percentage of	Total
	Real Property	Personal Property	Total Assessed	Real Property	Personal Property	Total Taxable	Direct Tax Rate	Taxable to Assessed Value	Cash Value
1998	\$2,580	\$297	\$2,877	\$2,342	\$297	\$2,639	\$7.20	91.73%	\$5,754
1999	2,856	336	3,192	2,472	336	2,808	7.32	87.97%	6,384
2000	3,129	346	3,475	2,623	346	2,969	7.22	85.44%	6,950
2001	3,497	400	3,897	2,844	400	3,244	6.48	83.24%	7,794
2002	3,912	372	4,284	3,081	372	3,453	6.31	80.60%	8,568
2003	4,226	368	4,594	3,246	368	3,614	6.32	78.67%	9,188
2004	4,469	371	4,840	3,425	371	3,796	7.15	78.43%	9,680
2005	4,674	379	5,053	3,616	379	3,995	7.25	79.06%	10,106
2006	4,917	377	5,294	3,860	377	4,237	6.76	80.03%	10,588
2007	5,149	395	5,544	4,101	395	4,496	6.74	81.10%	11,088

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>Collected within the</u> <u>Fiscal Year of the Levy</u>		<u>Collections in</u>	<u>Total Collections to Date</u>	
	<u>Fiscal Year</u>	<u>Amount</u>	<u>% of Levy</u>	<u>Subsequent Years</u>	<u>Amount</u>	<u>% of Levy</u>
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%	1,992	20,872	100.0%
2005	22,003	20,103	91.4%	1,653	21,756	98.9%
2006	23,304	21,413	91.9%	983	22,396	96.1%
2007*	24,652	N/A	N/A	N/A	N/A	N/A

Source: Treasurer's Office

\* 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	Delinquent tax notes			
2007	\$11,355	\$28,980	\$6,010	\$43,399	\$1,840	\$10,500	\$102,084	3.34%	\$599.79
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

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>
2007	\$11,355	\$1,801	\$9,554	0.24%	56.13
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

# County of Muskegon

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2007

(Unaudited)

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to this Governmental Unit<sup>1</sup></u>	<u>Share of Debt</u>
County Issued Bonds Paid by Local Municipalities	\$28,980,000	88%	\$25,502,400
County at Large	62,603,839	100	62,603,839
Tax Anticipation Notes	<u>10,500,000</u>	100	<u>10,500,000</u>
Direct Debt	102,083,839		98,606,239
Muskegon Community College & Intermediate School Districts	17,317,824	100	17,317,824
School Districts	340,266,229	99.9	339,925,963
Cities, Villages and Townships	85,257,000	100	85,257,000
White Lake District Library	<u>1,325,000</u>	100	<u>1,325,000</u>
Overlapping Debt	444,166,053		443,825,787
<b>Total Direct and Overlapping Debt</b>	<b><u>\$546,249,892</u></b>		<b><u>\$542,432,026</u></b>

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>2007</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>
Debt Limit (a)	\$554,383	\$529,516	\$505,360	\$484,014	\$459,402	\$428,427	\$389,651	\$347,554	\$319,172	\$287,677
Total net debt applicable to limit (b)	<u>83,169</u>	<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>
Legal debt margin available	<u>\$471,214</u>	<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>
Total net debt applicable to limit as a percentage of debt limit (b) / (a)	15.00%	15.45%	9.80%	10.64%	11.92%	12.15%	12.65%	12.81%	17.47%	18.75%
County net debt limit as a percentage of total State Equalized Value (1)	1.50%	1.55%	0.98%	1.06%	1.19%	1.22%	1.26%	1.28%	1.75%	1.88%

**Legal Debt Margin Calculation for Fiscal Year 2007**

State equalized value	<u>\$5,543,825,045</u>
Debt limit(10% of SEV)	554,382,505
Debt applicable to limit:	
Total bonded debt	102,083,839
Other debt	<u>4,074,457</u>
Total applicable debt	106,158,296
Less amount available for debt retirement	<u>22,989,632</u>
Total County net debt limit (1)	<u>83,168,664</u>
Legal Debt Margin available	<u>\$471,213,841</u>

(1) 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**  
**PLEDGED-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	
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
2007	3,519	1	3,518	2,495	1,041	99.49	325	325	12	96.44

(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 Ten Years Ago

(Unaudited)

<u>Employer</u>	<u>2007</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.	2,442	1	2.83%	1,930	2	3.19%
Hackley Hospital	2,000	2	2.32	2,400	1	3.97
Mercy General Health Partners	1,466	3	1.70	1,300	4	2.15
County of Muskegon	1,245	4	1.44	1,150	5	1.90
Muskegon Public Schools	960	5	1.11	1,380	3	2.28
Meijers, Inc.	958	6	1.11	878	6	1.45
Muskegon Correctional Facility	820	7	0.95			
L3 Communications	530	8	0.61			
Johnson Technology, Inc.	500	9	0.58			
ADAC Automotive	478	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

Source: Muskegon Area First

## *County of Muskegon*

### **DEMOGRAPHIC AND ECONOMIC STATISTICS**

*Last Ten Fiscal Years*

(Unaudited)

<b>Fiscal Year</b>	<b>(2)</b>	<b>(2)</b>	<b>(1)</b>	<b>(3)</b>		
<b>Ending</b>	<b>Personal</b>	<b>Per</b>	<b>Median</b>	<b>School</b>	<b>Unemployment</b>	
<b>September 30</b>	<b>Income</b>	<b>Capita</b>	<b>Age</b>	<b>Enrollment</b>	<b>Rate</b>	
	<b>(2)</b>	<b>(amounts expressed</b>	<b>Personal</b>			
	<b>Population</b>	<b>in thousands)</b>	<b>Income</b>			
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	31,796	6.6%
2007*	178,315	4,227,318	23,707	35.5	NA	7.1%

\* 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>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><u>2007</u></b>
Police										
Bookings	7,425	7,625	8,549	9,096	8,953	9,049	9,343	9,815	10,343	11,083
Traffic Stops	-	-	2,384	3,104	3,837	4,283	3,521	3,087	2,447	2,836
Verbal Warnings	848	642	1,238	1,862	2,094	1,892	1,706	1,683	1,100	1,082
Citations	1,988	1,908	3,204	3,654	4,391	4,329	2,851	2,491	2,039	2,460
County Road Commission										
Street resurfacing (miles)	46	32	94	13	71	22	32	95	38	117
Sanitation										
Refuse collected (tons)	48,091	72,891	89,133	89,186	76,026	67,573	60,256	88,971	126,994	125,775
Recyclables collected (tons)	75	89	104	92	89	69	77	66	39	22
Water										
New Connections	-	-	-	-	886	941	995	1,033	106	152
Average daily consumption (thousands of gallons)	-	-	404	347	348	380	374	483	406	680
Wastewater										
Avg daily sewage treatment (gallons)	32	30	29	28	25	25	26	23	20	20
District Court										
Cases Filed	44,619	44,796	44,256	46,416	48,193	45,766	43,554	44,573	45,275	48,304
Cases Disposed	43,660	45,339	48,130	47,977	55,210	51,708	51,932	46,915	45,036	48,431
Cases Pending	20,079	19,536	15,662	14,101	8,069	8,083	5,800	6,183	6,607	6,450

Source: Sheriff's Department, Road Commission, Solid Waste, Waste Water, and District Court

**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>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><u>2007</u></b>
<b><u>Administration</u></b>										
Administrator	9	9	8	8	9	9	9	9	9	9
Accounting	10	12	12	12	12	12	11	11	10	10
Human Resources	6	6	6	6	6	6	5	5	5	5
Purchasing	4	4	4	4	4	4	4	4	4	4
Office Services	4	4	4	4	4	4	5	5	5	3
Information Systems	12	11	11	12	12	11	8	8	8	8
Employment and Training	15	18	18	21	21	22	21	21	22	23
Corporate Counsel	-	-	-	-	-	3	3	3	-	-
Risk Management	<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>	<u>8</u>
Total	65	70	69	74	76	79	74	74	71	70
<b><u>DPW - Transportation and Planning</u></b>										
Public Works	1	1	1	1	1	1	1	-	-	-
Airport	17	17	16	16	16	20	15	15	14	13
Transit	39	39	39	43	45	46	46	46	47	46
Wastewater	77	78	80	81	81	81	81	65	59	57
Regional Water System	-	-	-	-	-	-	-	-	2	2
Solid Waste	10	10	10	10	11	11	14	14	13	13
Solid Waste - Fly Ash	<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>	<u>1</u>
Total	149	150	150	155	158	163	158	141	136	132

**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>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><u>2007</u></b>
<b><u>General Government</u></b>										
County Clerk	6	6	6	6	6	6	6	6	6	6
County Clerk - Circuit Court Records	7	7	7	7	8	8	8	8	8	9
Equalization	15	15	20	22	23	23	22	22	22	22
Register of Deeds	8	8	9	9	9	9	9	9	9	9
Treasurer	10	10	10	10	10	10	10	10	10	10
Buildings Information Services	1	1	1	-	-	-	-	-	-	-
Drain Commission	5	5	5	4	4	5	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>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	54	54	60	60	62	63	61	61	61	62
<b><u>Judicial Administration</u></b>										
Circuit Court	21	21	20	19	19	19	19	19	23	24
District Court	49	48	53	54	56	56	58	58	61	61
District Court - Probation Assessment	2	2	2	2	2	2	2	2	2	2
Family Court - FOC Division	43	44	41	42	42	41	46	45	46	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	2
Family Court - FOC Welfare Support	-	-	-	1	1	1	1	-	-	1
Family Court - Juvenile Division	21	23	23	19	19	18	17	15	17	17
Family Court - Juvenile Division Program	3	1	1	1	-	-	-	-	-	-
Family Court - Juvenile In Home Intensive	-	6	12	13	13	13	14	14	14	12
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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Family Court - CASA Program	1	-	-	-	-	-	-	-	-	-
Family Court - Re-Entry Initiative	-	-	-	-	-	3	3	3	2	1
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	148	154	160	161	162	165	172	166	175	174
<u>Legislative</u>										
Board of Commissioners	<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>	<u>11</u>
Total	9	9	9	9	9	11	11	11	11	11
<u>Libraries and Recreation</u>										
Library	40	40	41	41	42	42	41	41	27	39
County Parks	21	19	22	22	22	22	22	22	22	22
Convention/Visitor's Bureau	<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>	<u>7</u>
Total	61	59	68	68	69	68	68	69	56	68
<u>Maintenance</u>										
Courthouse-Grounds	<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>	<u>16</u>
Total	19	21	21	24	24	22	14	14	14	16
<u>Public and Mental Health</u>										
Health	97	107	106	110	110	87	79	81	85	85
Mental Health	313	302	302	255	256	255	257	256	260	263
Mental Health/Managed Care	-	14	17	66	68	69	68	67	67	66
Animal Shelter	<u>11</u>	<u>-</u>								
Total	421	423	425	431	434	411	404	404	412	414

**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>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><u>2007</u></b>
<b>Public Safety</b>										
Prosecutor	28	22	22	20	20	21	20	20	21	21
Prosecutor - Cooperative Reimbursement	-	5	5	5	5	6	6	6	5	5
Prosecutor - Crime Victims Rights	3	4	4	4	4	3	4	4	4	4
Prosecutor - Family Court FIA Grant	-	-	-	3	3	3	3	3	3	3
Prosecutor - Juvenile Accountability Incentive	-	-	1	2	2	1	1	1	1	1
Prosecutor - Community Gun Violence	-	-	-	-	-	2	2	2	-	-
Prosecutor - Project Cornerstone	-	-	2	2	2	2	-	-	1	1
Sheriff - Operations	94	106	106	108	108	115	115	118	122	124
Sheriff - Road Patrol Grant	-	2	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	8
Sheriff - Township Patrols	-	-	-	5	5	5	5	4	3	3
Community Corrections	8	7	7	8	8	8	8	8	8	5
Emergency Services	<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>	<u>2</u>
Total	143	156	160	171	172	181	179	180	191	187

*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>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><u>2007</u></b>
<u>Social Services</u>										
Child Haven	16	16	16	16	16	16	16	16	16	16
Brookhaven	249	240	250	243	244	244	239	239	239	242
Juvenile Detention Center	<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>	<u>27</u>
Total	300	282	292	285	286	286	282	282	282	285
<b>GRAND TOTAL</b>	<b><u>1,369</u></b>	<b><u>1,378</u></b>	<b><u>1,414</u></b>	<b><u>1,438</u></b>	<b><u>1,452</u></b>	<b><u>1,449</u></b>	<b><u>1,423</u></b>	<b><u>1,402</u></b>	<b><u>1,409</u></b>	<b><u>1,419</u></b>

Source: Budget Department

# County of Muskegon

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

	<u>Fiscal year ended September 30,</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>2007</u>
<b>Function</b>										
Public Safety Police										
Jail	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	23	24	27	27	28	25	25	24
Culture and recreation										
Parks acreage	299	337	337	337	337	337	337	337	337	337
Parks	6	6	6	6	6	6	6	6	6	6
Sewer										
Storm and Sanitary (miles)	350	350	350	352	352	352	362	362	362	377
Maximum daily treatment capacity (thousands of gallons)	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	42,000
Airport										
Capacity (thousand of passengers)	195	180	180	157	139	143	119	129	129	118
Transit										
Number of buses	14	15	15	18	15	18	15	15	18	22
Solid Waste										
Capacity (thousand cu. yds.)	1,275	1,022	1,022	934	934	2,654	3,100	3,100	3,100	3,778

Source: Sheriff's Department, Parks, Department of Public Works, Waste Water, Airport, and Solid Waste