

# COUNTY OF MUSKEGON

## Muskegon, Michigan



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

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, 2008

## **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

**INTERIM COUNTY ADMINISTRATOR**  
JAMES M. ELWELL

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# MUSKEGON COUNTY

M I C H I G A N

January 26, 2009

## 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 Kenneth Mahoney, 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, 2008.

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 Rehmann Robson, 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, 2008, 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 slowdown statewide, Muskegon is maintaining its employment size. The commercial, industrial and tourism components of the Muskegon economy continue to add to our employment base. 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 1,900 employees. Howmet manufactures investment grade castings for the aerospace industry. Howmet is the largest defense contractor in West Michigan.

Mercy Health Partners - This company employs approximately 3,200 employees and is the County’s largest employer. They provide comprehensive health care services for the community. The Mercy Health system also provides regional health care services which include heart and kidney specialty centers.

Diversified Machine - This company has approximately 375 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. (1150, retail sales), Michigan State Government (847, prisons), and Muskegon Public Schools (878, 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	\$2,149,507,000

**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, 2007, in funding 85 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 420 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 \$3,233,814 in 2008 for an average yield of 4.78 percent and 4.46 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, Solid Waste, Northside Water, and the Airport enterprise funds 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 2008, a sluggish economy caused our property tax valuations to increase only 3.35% compared with an initial estimate of 5.0%. This loss of \$703,000 was offset by reductions in expenses across all programs. Reductions also occurred in interest earnings as rates have dropped by as much as 20%. Good news occurred with the announcement of a major casino to be built at the location of a former horse racetrack with additional construction of hotels and other entertainment establishments as construction is completed. The selling of County land for an ethanol production facility also will be a solid increase in our tax base.

Our wastewater system is in the final phase of a major replacement of more than 8.5 miles of pipeline with construction being funded by \$33 million in low interest bonds from the State of Michigan. The interest rate of 2.5% is very low in relation to current rates over 6%

### **Awards and Acknowledgments**

In 2008, independent auditors were engaged for the thirty third consecutive fiscal year to perform an annual audit of the county's books of account, financial records, and transactions. The opinion of Rehmann Robson, independent certified public accountants, is included in this report.

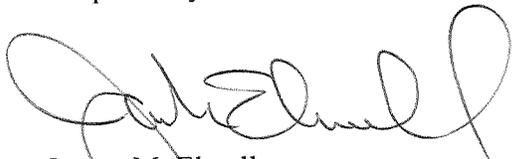
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Muskegon for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2007. This was the thirtieth consecutive year that the county has received this prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

Respectfully submitted,



James M. Elwell  
Interim County 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, 2007

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



A handwritten signature in black ink, appearing to read "M. L. Post".

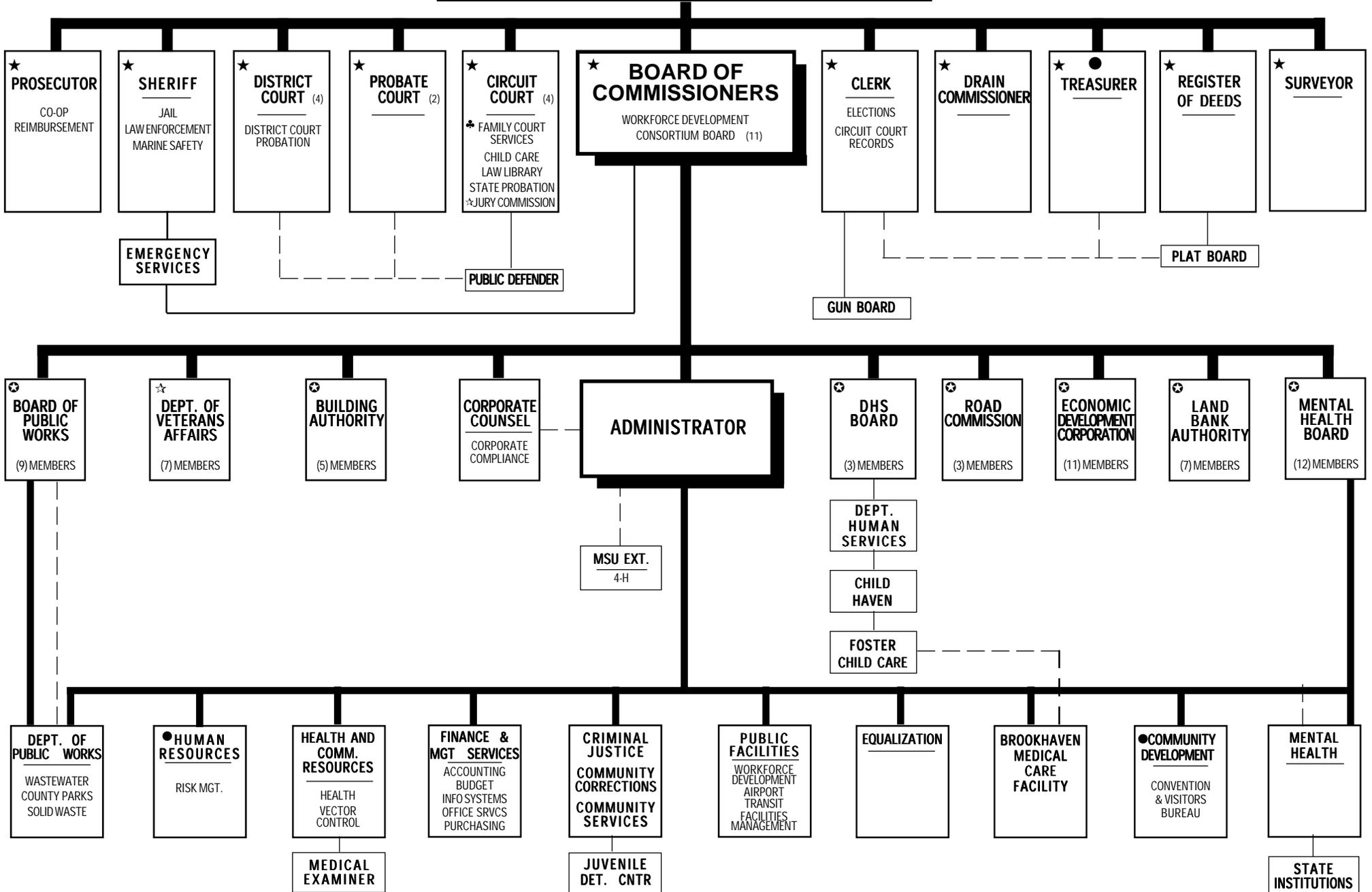
President

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

Executive Director

# 2008 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, 2008

**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  
DEAN ROESLER, 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



**Rehmann Robson**

3145 Henry Street, Ste. 200  
Muskegon, MI 49441  
Ph: 231.739.9441  
Fax: 231.733.0031  
www.rehmann.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, 2008, 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, 2008, 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 22, 2009, 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 98 through 101 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.

A handwritten signature in cursive script that reads "Lehmann Johnson".

Muskegon, Michigan  
January 22, 2009

## 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, 2008. 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 delinquent taxes, solid waste management, wastewater, regional water, 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 twenty five 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, 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 funds 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 2007 Delinquent Tax, Solid Waste, Airport, Northside Water, 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 \$203,169,852 at the close of fiscal year 2008.

The largest portion of net assets in the County (68%) 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	
	2008	2007	2008	2007	2008	2007
Cash and Investments	\$40,078,762	\$42,870,482	\$36,043,564	\$32,283,893	\$76,122,326	\$75,154,375
Receivables	54,711,794	44,889,840	20,265,052	15,992,333	74,976,846	60,882,173
Other Current Assets	400,424	1,289,035	1,642,830	560,774	2,043,254	1,849,809
Long Term Assets	2,942,096	4,796,561	-	-	2,942,096	4,796,561
Capital Assets	<u>57,648,564</u>	<u>58,730,443</u>	<u>159,017,291</u>	<u>143,339,737</u>	<u>216,665,855</u>	<u>202,070,180</u>
<b>Total Assets</b>	<b>155,781,640</b>	152,576,361	<b>216,968,737</b>	<b>192,176,737</b>	<b>372,750,377</b>	<b>344,753,098</b>
Other Liabilities	19,614,667	19,710,640	16,815,596	15,250,292	36,430,263	34,960,932
Long Term Liabilities	<u>59,493,756</u>	<u>57,140,743</u>	<u>73,656,506</u>	<u>55,738,839</u>	<u>133,150,262</u>	<u>112,879,582</u>
<b>Total Liabilities</b>	<b>79,108,423</b>	<b>76,851,383</b>	<b>90,472,102</b>	<b>70,989,131</b>	<b>169,580,525</b>	<b>147,840,514</b>
Net Assets:						
Investment in capital assets						
net of related debt	41,018,905	40,455,204	97,017,648	98,080,324	138,036,553	138,535,528
Restricted	16,845,343	12,686,218	3,783,286	2,020,478	20,628,629	14,706,696
Unrestricted	<u>18,808,969</u>	<u>22,583,556</u>	<u>25,695,701</u>	<u>21,086,804</u>	<u>44,504,670</u>	<u>43,670,360</u>
<b>Total Net Assets</b>	<b><u>\$76,673,217</u></b>	<b><u>\$75,724,978</u></b>	<b><u>\$126,496,635</u></b>	<b><u>\$121,187,606</u></b>	<b><u>\$203,169,852</u></b>	<b><u>\$196,912,584</u></b>

A portion (10%) of the County's net assets have certain restrictions placed on their use. The remaining balance of unrestricted net assets (\$44,504,670) can be used to meet the County's ongoing obligations to its residents and creditors.

A major portion (61%) of the Governmental total assets in the County are in liquid and short term receivables that give us a great ability to meet current obligations of short and long term nature. This ability translates into the freedom to meet changing conditions in the market place as well as changes in the economy of the surrounding area. The strength of our unrestricted net assets shows that we are aware of the ever changing face of government's operations and are prepared to respond to those needs.

**Governmental Activities:**

Governmental activities increased the County's net assets by (\$948,239). This increase in net assets was primarily due to increases in charges for services expenditures. Other elements of the increase are as follows:

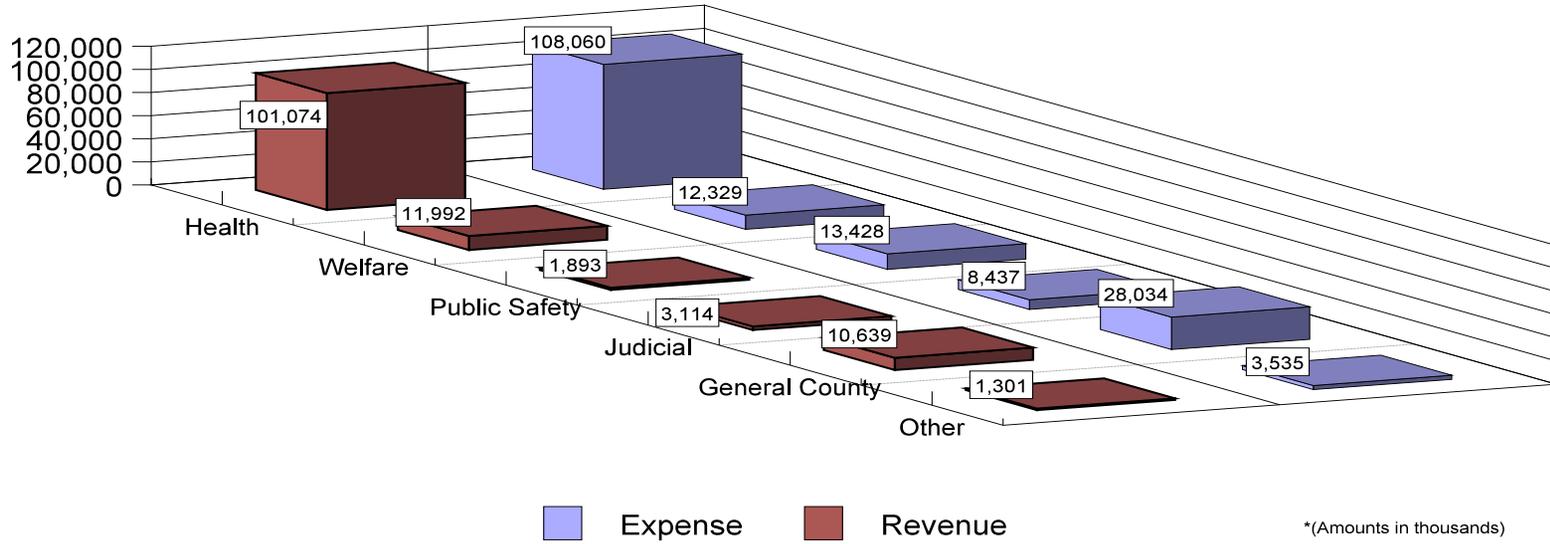
**Muskegon County Changes in Net Assets**

	Governmental Activities 2008	Governmental Activities 2007	Business-type Activities 2008	Business-type Activities 2007	Total 2008	Total 2007
Revenues						
Program Revenues						
Operating Grants and Contributions	\$34,958,537	\$35,228,854	\$6,111,455	\$5,215,673	\$41,069,992	\$40,444,527
Charges for services/Sales	95,054,421	89,108,629	25,086,756	22,532,027	120,141,177	111,640,656
Capital Grants and contribution	-	-	733,720	5,828,501	733,720	5,828,501
General Revenues						
Taxes	29,558,608	36,901,884	-	-	29,558,608	36,901,884
Investment Earnings	1,718,445	2,505,432	1,515,369	1,563,637	3,233,814	4,069,069
Contributions from private sources	2,036,551	1,719,839	-	-	2,036,551	1,719,839
Other	10,910,300	6,426,572	190,123	56,933	11,100,423	6,483,505
Total Revenues	\$174,236,862	\$171,891,210	\$33,637,423	\$35,196,771	\$207,874,285	\$207,087,981

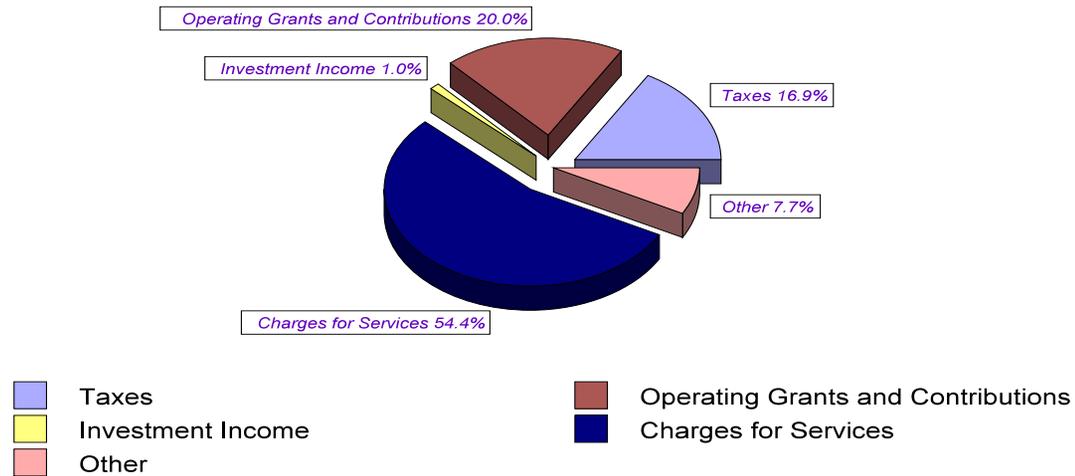
**Muskegon County Changes in Net Assets (continued)**

	Governmental Activities 2008	Governmental Activities 2007	Business-type Activities 2008	Business-type Activities 2007	Total 2008	Total 2007
Expenses						
Legislative	\$430,462	\$435,324	\$ -	\$ -	\$430,462	\$435,324
Judicial	8,437,420	8,333,166	-	-	8,437,420	8,333,166
General County Government	28,034,072	27,215,583	-	-	28,034,072	27,215,583
Public Safety	13,427,767	13,442,236	-	-	13,427,767	13,442,236
Health	108,059,252	113,299,974	-	-	108,059,252	113,299,974
Welfare	12,329,366	10,210,348	-	-	12,329,366	10,210,348
Culture	328,524	312,702	-	-	328,524	312,702
Recreation	815,114	826,897	-	-	815,114	826,897
Other	1,085,044	767,298	-	-	1,085,044	767,298
Debt Service Interest	873,902	862,163	-	-	873,902	862,163
Debt Service Other	1,600	1,600	-	-	1,600	1,600
2007 Delinquent Tax Revolving	-	-	162,850	-	162,850	0
Solid Waste	-	-	1,325,046	3,599,917	1,325,046	3,599,917
Airport	-	-	2,493,159	2,423,439	2,493,159	2,423,439
Northside Water	-	-	3,169,044	-	3,169,044	0
Wastewater	-	-	16,531,073	14,607,616	16,531,073	14,607,616
Other proprietary funds	-	-	4,113,322	6,334,242	4,113,322	6,334,242
Total Expenses	<u>173,822,523</u>	<u>175,707,291</u>	<u>27,794,494</u>	<u>26,965,214</u>	<u>201,617,017</u>	<u>202,672,505</u>
Increase (decrease) in net assets before transfers	414,339	(3,816,081)	5,842,929	8,231,557	6,257,268	4,415,476
Transfers	<u>533,900</u>	<u>(427,656)</u>	<u>(533,900)</u>	<u>427,656</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net assets	948,239	(4,243,737)	5,309,029	8,659,213	6,257,268	4,415,476
Net Assets - October 1	<u>75,724,978</u>	<u>79,968,715</u>	<u>121,187,606</u>	<u>112,528,393</u>	<u>196,912,584</u>	<u>192,497,108</u>
Net Assets - September 30	<u>\$76,673,217</u>	<u>\$75,724,978</u>	<u>\$126,496,635</u>	<u>\$121,187,606</u>	<u>\$203,169,852</u>	<u>\$196,912,584</u>

## Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities



- Property taxes decreased by \$7,343,276 (20 percent) during the year. This decrease reflects the ending of moving the property tax collection for December to July for County taxes.
- 
- Operating Grants and Contributions increased 6% resulting from the State and Federal government increasing their participation in programs.
- Health expenses decreased by 5% do to construction projects for pass through municipalities being completed.
- Investment income decreased by 31% due to decreases in the market rates for CD's and other instruments.
- Other revenues increased due to the full annual cost of retirees health care now being paid through the insurance fund.

**Business-type activities.** Business-type activities increased the County of Muskegon's net assets by \$5,309,029. A substantial increase in water and sewer operating revenues and charges for services 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.

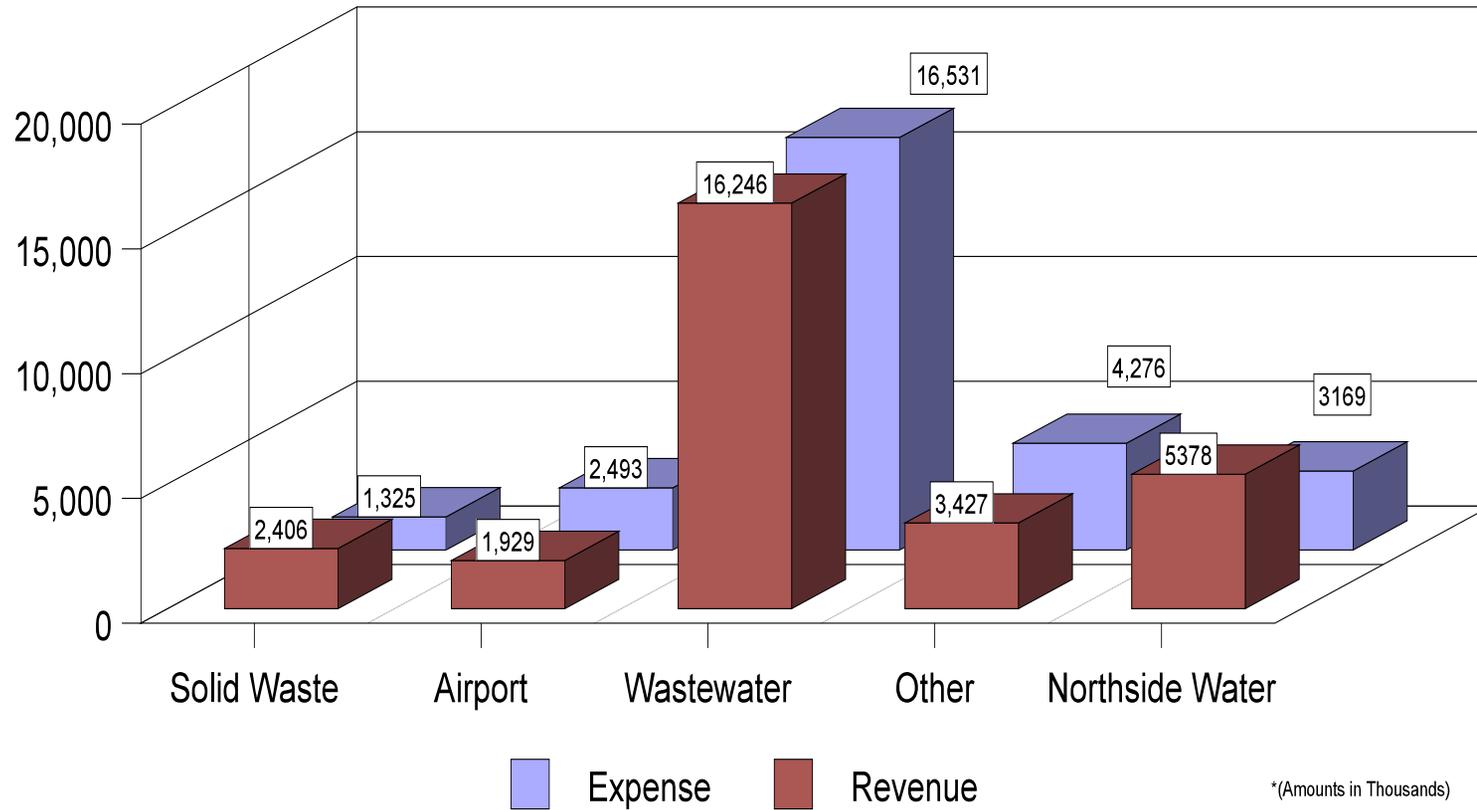
**Governmental funds.** The focus of the County of Muskegon's governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the County of Muskegon's financing requirements. In particular, unreserved fund balance 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 \$36,918,402, an increase of \$851,782 in comparison with the previous year. Approximately 50% of the fund balance (\$18,434,441) constitutes undesignated 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 (\$11,112,804), 2) to pay debt service (\$2,024,002), 3) to cover a potential bad debt from a prior capital project (\$1,000,000), 4) to hold for future grant expenditures (\$3,263,452), 5) for long term notes receivable (\$50,000), 6) for perpetual care (\$50,303), for inventory and prepaid items (\$394,782), or, 7) for long term advances to other funds (\$588,618).

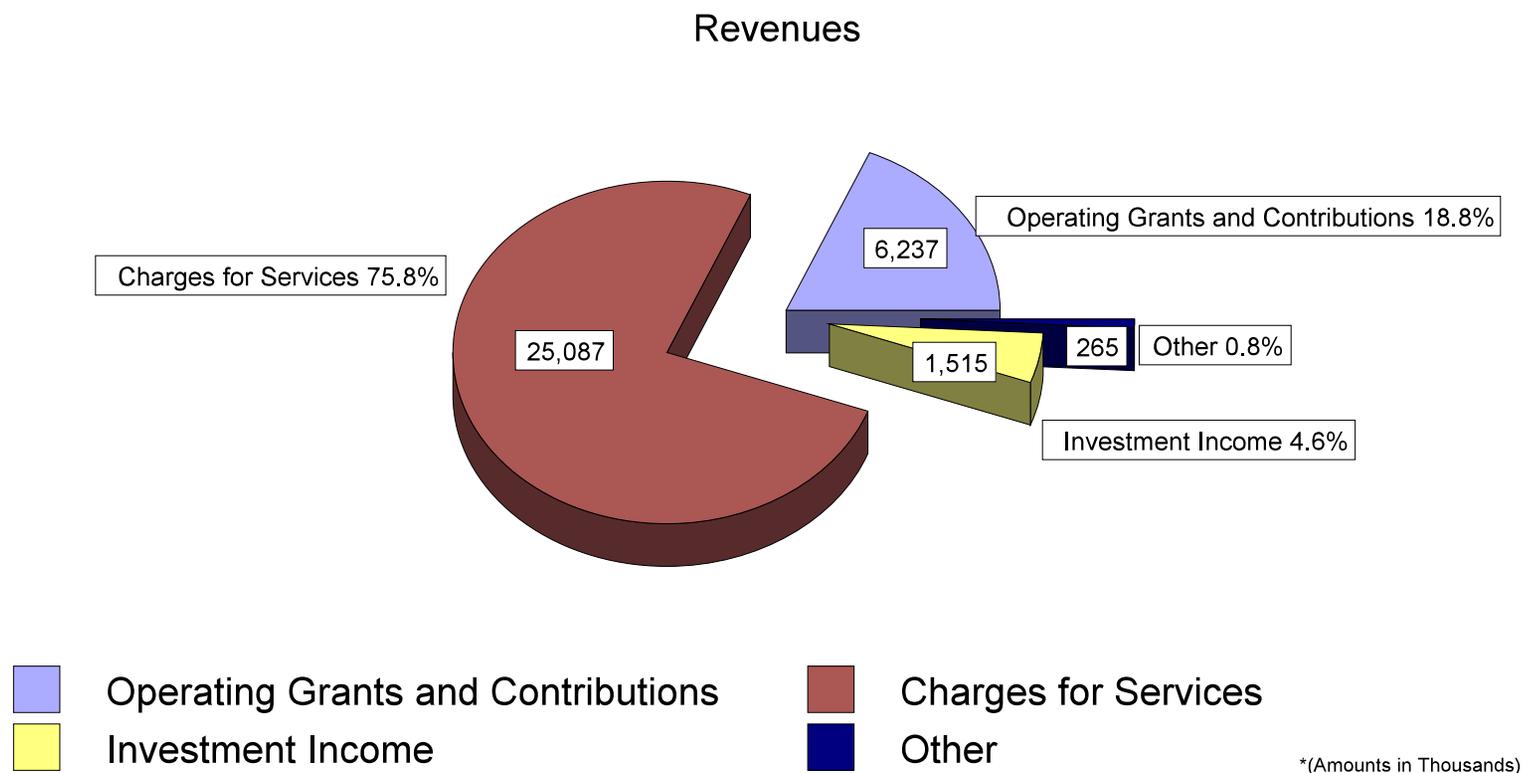
The general fund is the chief operating fund of the County of Muskegon. At the end of the current fiscal year, undesignated fund balance of the general fund was \$8,394,987 while total fund balance was \$9,068,372. As one measure of the general fund's liquidity, it is useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 19% of total general fund expenditures, while total fund balance represents 20% of that same amount. A comparison to prior year percentages show that fund balance increased by 1 percent.

Major revenues in the taxes area decreased by \$7,343,000 while charges for services increased \$5,946,000. Interest earnings went down \$787,000 with expenses decreasing \$1,885,000.

## Expenses and Program Revenues - Business-Type Activities



## Revenues by source - Business-Type activities



The debt service funds have a total fund balance of \$2,024,002, all of which is held for debt service payments. The increase in the debt service funds balance of \$223,004 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 \$6,000,000 for the Laketon Township sewer 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 \$5,696,961, Airport at \$229,984, Northside Water at \$5,928,514 and the Solid Waste site at \$0 respectively. The total growth in net assets for these four funds was \$111,778, \$856,152, \$2,580,019 and \$1,663,932, respectively. The Delinquent Tax fund unrestricted net assets were \$1,450,303 with a net increase of \$1,450,303. 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 decrease between the original revenue budget and the final amended budget were small (less than 5%) and is briefly summarized as follows:

- Decreases in taxes due to the housing construction and sales being down from the previous year.
- Decreases in interest earned reflecting the national trend of decreasing interest rates.
- Decreases in charges for services because home sales were down significantly.

Budgeted expenditures decreased by approximately \$883,000. The largest decrease was in general county government for open positions and reduced fringe benefit costs. Total actual expenditures came in under budget which allowed for revenues to exceed expenditures for the year.

### **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, 2008 amounts to \$217 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 7%.

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

- Continued Runway expansion (\$624,000)
- Wastewater equipment replacement and improvements to existing pump stations (\$26,216,000)
- Started construction of a new Transit parking garage (\$126,000)
- Expansion of the Northside water system (\$10,263,000)
- Purchase of land and buildings for County Department uses (\$1,216,000)

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2008	2007	2008	2007	2008	2007
Land	\$4,308,220	\$3,943,938	\$19,995,611	\$19,421,533	\$24,303,831	\$23,365,471
Land Improvements	3,041,452	2,957,248	8,938,222	9,218,847	11,979,674	12,176,095
Lagoons	-	-	6,171,571	6,266,879	6,171,571	6,266,879
Buildings & Improvements	46,676,773	47,521,511	15,680,686	16,490,485	62,357,459	64,011,996
Machinery & Equipment	3,622,119	4,305,566	12,838,808	6,821,670	16,460,927	11,127,236
Wastewater collection and distribution system	-	-	63,869,456	58,810,882	63,869,456	58,810,882
Capitalized interest & engineering	-	-	4,326,864	2,905,553	4,326,864	2,905,553
Construction in progress	-	2,180	27,196,073	23,403,888	27,196,073	23,406,068
<b>Total</b>	<b>\$57,648,564</b>	<b>\$58,730,443</b>	<b>\$159,017,291</b>	<b>\$143,339,737</b>	<b>\$216,665,855</b>	<b>\$202,070,180</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 \$124,286,506. Of this amount, \$16,025,000 comprises debt backed by the full faith and credit of the County; \$61,156,506 in revenue bonds backed by the County and participating municipalities; \$34,605,000 special assessment debt partially guaranteed by local municipalities; and finally, \$12,500,000 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 AA- 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 Bonded Debt

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$16,025,000	\$17,365,000			\$16,025,000	\$17,365,000
Special Assessment Debt with Governmental Commitment	34,605,000	28,980,000			34,605,000	28,980,000
Revenue Bond			\$61,156,506	\$45,238,839	61,156,506	45,238,839
Delinquent Tax Notes			12,500,000	10,500,000	12,500,000	10,500,000
Total	<u>\$50,630,000</u>	<u>\$46,345,000</u>	<u>\$73,656,506</u>	<u>\$55,738,839</u>	<u>\$124,286,506</u>	<u>\$102,083,839</u>

The County of Muskegon's total bonded debt increased by \$22,202,667 during the current fiscal year. The increase is attributed to normal debt payoffs of \$13,860,000 and the sale of the current year notes and bonds in the amounts of \$11,000,000 and \$25,062,667, 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 2008 ratio was .21% with the bonded debt per capita at \$49.71. In 2007, the ratio is .24% with a bonded debt per capita of \$56.13. 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, 2005 through September, 2008, Muskegon County unemployment rates as compared to national rates were as follows:

	<u>Employment Data</u>							
	<u>2008 County</u>	<u>2008 USA</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>
October	6.7	4.8	6.1	4.4	5.4	4.9	6.6	5.5
November	6.7	4.7	6.6	4.5	6.2	5.0	7.3	5.4
December	7.0	5.0	6.7	4.5	6.2	4.9	7.5	5.4
January	7.5	4.9	7.3	4.6	6.4	4.7	8.1	5.2
February	7.9	4.8	7.5	4.5	7.1	4.8	8.0	5.4
March	7.6	5.1	7.3	4.4	7.2	4.7	7.5	5.2
April	5.5	5.0	6.9	4.5	6.7	4.7	6.7	5.2
May	8.3	5.5	6.9	4.5	6.0	4.6	7.4	5.1
June	8.5	5.5	7.6	4.5	6.5	4.6	6.9	5.0
July	9.9	5.7	8.0	4.6	7.8	4.8	8.0	4.9
August	9.1	6.1	7.1	4.6	6.9	4.7	6.2	5.1
September	<u>9.2</u>	<u>6.1</u>	<u>7.3</u>	<u>4.7</u>	<u>6.9</u>	<u>4.6</u>	<u>6.1</u>	<u>5.0</u>
Average	<u>7.8</u>	<u>5.3</u>	<u>7.1</u>	<u>4.5</u>	<u>6.6</u>	<u>4.8</u>	<u>7.2</u>	<u>5.2</u>

Muskegon County's unemployment rate has increased compared to 2005. This is attributed to the downturn in the economy nationwide and particularly in Michigan.

## **General**

The economic climate in Muskegon has is currently poor. Unemployment has increased above the 2005 level. Two projects stand out that show Muskegon County continues to provide an increase in the quality of living in Muskegon County. These are:

- Continued to expand our water and sewer system to urban areas to maintain a high quality aquifer for fish and wildlife.
- Started design and construction of a new Community Mental Health center to serve Muskegon County residents for the next 40 years.

## 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.

*County of Muskegon*

*Statement of Net Assets  
September 30, 2008*

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business - Type Activities	Total	Road Commission
Cash and cash equivalents	\$ 16,915,390	\$ 12,298,417	\$ 29,213,807	\$ 4,150,833
Investments	23,163,372	23,745,147	46,908,519	-
Receivables				
Accounts	3,590,493	2,829,726	6,420,219	-
Intergovernmental	9,869,137	263,314	10,132,451	2,560,088
Accrued interest	674,897	1,230,235	1,905,132	-
Current taxes	9,111,129	4,207,475	13,318,604	-
Delinquent taxes	-	7,082,184	7,082,184	-
Interest and penalties on delinquent taxes	-	1,552,701	1,552,701	-
Special assessments	34,565,555	-	34,565,555	-
Other	5,642	-	5,642	212,088
Prepaid Items	310,411	-	310,411	502,554
Prepaid expenses	-	31,000	31,000	-
Internal balances	(3,099,417)	3,099,417	-	-
Inventories	84,371	46,955	131,326	1,119,167
Restricted assets	-	1,564,875	1,564,875	-
Long-term note receivable	2,942,096	-	2,942,096	-
Land	4,308,220	19,995,611	24,303,831	21,896,052
Construction in progress	-	27,196,073	27,196,073	-
Capital Assets, net of accumulated depreciation	53,340,344	111,825,607	165,165,951	37,324,133
	<u>\$ 155,781,640</u>	<u>\$ 216,968,737</u>	<u>\$ 372,750,377</u>	<u>\$ 67,764,915</u>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Net Assets  
September 30, 2008*

	Primary Government		Total	Component Unit
	Governmental Activities	Business - Type Activities		Road Commission
<b>LIABILITIES</b>				
<b>Payables</b>				
Accounts	\$ 8,939,842	\$ 6,071,040	\$ 15,010,882	\$ 519,630
Intergovernmental	684,368	-	684,368	-
Advances	-	-	-	455,760
Accrued liabilities	9,914,171	10,744,556	20,658,727	99,381
Unearned revenue	76,286	-	76,286	61
<b>Long-term debt</b>				
Due within one year	7,613,840	11,530,000	19,143,840	477,000
Due in more than one year	51,879,916	62,126,506	114,006,422	1,249,893
<b>Total liabilities</b>	<b>\$ 79,108,423</b>	<b>\$ 90,472,102</b>	<b>\$ 169,580,525</b>	<b>\$ 2,801,725</b>
<b>NET ASSETS</b>				
Investment in capital assets net of related debt	\$41,018,905	\$ 60,837,845	\$ 101,856,750	\$ 57,874,704
<b>Restricted for:</b>				
Special Revenue - Grant programs and other activities	3,658,234	-	3,658,234	7,088,486
Closure Costs	-	4,609,802	4,609,802	-
Capital Projects	11,112,804	-	11,112,804	-
Debt Service	2,024,002	-	2,024,002	-
Permanent Fund - expendable	14,039	-	14,039	-
Permanent Fund - nonexpendable	36,264	-	36,264	-
Unrestricted	18,808,969	61,048,988	79,857,957	-
<b>Total Net Assets</b>	<b>\$ 76,673,217</b>	<b>\$ 126,496,635</b>	<b>\$ 203,169,852</b>	<b>\$ 64,963,190</b>

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Activities

For the Year Ended September 30, 2008

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	Governmental	Primary Government Business-Type Activities	Total	Road Commission
<b>Primary Government:</b>									
<b>Governmental Activities</b>									
Legislative	\$ 430,462	\$ -	\$ -	\$ -	\$ -	(\$ 430,462)	\$ -	(\$ 430,462)	\$ -
Judicial	8,437,420	2,996,027	117,572	-	3,113,599	(5,323,821)	-	(5,323,821)	-
General County Government	28,034,072	5,407,682	5,231,789	-	10,639,471	(17,394,601)	-	(17,394,601)	-
Public Safety	13,427,767	903,291	990,095	-	1,893,386	(11,534,381)	-	(11,534,381)	-
Health	108,059,252	84,613,877	16,460,376	-	101,074,253	(6,984,999)	-	(6,984,999)	-
Welfare	12,329,366	-	11,992,110	-	11,992,110	(337,256)	-	(337,256)	-
Culture	328,524	-	115,245	-	115,245	(213,279)	-	(213,279)	-
Recreation	815,114	645,349	-	-	645,349	(169,765)	-	(169,765)	-
Other	1,085,044	488,195	51,350	-	539,545	(545,499)	-	(545,499)	-
<b>Debt Service</b>									
Interest	873,902	-	-	-	-	(873,902)	-	(873,902)	-
Other	1,600	-	-	-	-	(1,600)	-	(1,600)	-
<b>Total Governmental Activities</b>	<b>173,822,523</b>	<b>95,054,421</b>	<b>34,958,537</b>	<b>-</b>	<b>130,012,958</b>	<b>(43,809,565)</b>	<b>-</b>	<b>(43,809,565)</b>	<b>-</b>
<b>Business-Type Activities:</b>									
2007 Delinquent Tax Revolving (5167)	162,850	1,605,862	-	-	1,605,862	-	1,443,012	1,443,012	-
Solid Waste (5710)	1,325,046	2,460,224	-	-	2,460,224	-	1,135,178	1,135,178	-
Airport (5810)	2,493,159	1,321,328	-	607,975	1,929,303	-	(563,856)	(563,856)	-
Norhtside Water (5910)	3,169,044	1,908,237	3,469,794	-	5,378,031	-	2,208,987	2,208,987	-
Wastewater (5920)	16,531,073	15,970,061	275,872	-	16,245,933	-	(285,140)	(285,140)	-
Other Proprietary Funds	4,113,322	1,821,044	2,365,789	125,745	4,312,578	-	199,256	199,256	-
<b>Total Business-Type Activities</b>	<b>27,794,494</b>	<b>25,086,756</b>	<b>6,111,455</b>	<b>733,720</b>	<b>31,931,931</b>	<b>-</b>	<b>4,137,437</b>	<b>4,137,437</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 201,617,017</b>	<b>\$ 120,141,177</b>	<b>\$ 41,069,992</b>	<b>\$ 733,720</b>	<b>\$ 161,944,889</b>	<b>(43,809,565)</b>	<b>4,137,437</b>	<b>(39,672,128)</b>	<b>-</b>
<b>Component Unit:</b>									
Muskegon County Road Commission	\$13,966,400	\$2,706,317	\$9,147,239	\$4,053,620	\$15,907,176				\$ 1,940,776
<b>General Revenues:</b>									
Property Taxes						29,558,608	-	29,558,608	-
Investment Earnings						1,718,445	1,515,369	3,233,814	162,134
Gain on Disposal of Assets						-	-	-	68,117
Donations (unrestricted)						2,036,551	-	2,036,551	-
Other						10,910,300	190,123	11,100,423	32,206
Transfers						533,900	(533,900)	-	-
<b>Total General Revenues and Transfers</b>						<b>44,757,804</b>	<b>1,171,592</b>	<b>45,929,396</b>	<b>262,457</b>
<b>Change in Net Assets</b>						<b>948,239</b>	<b>5,309,029</b>	<b>6,257,268</b>	<b>2,203,233</b>
<b>Net Assets - Beginning of Year</b>						<b>75,724,978</b>	<b>121,187,606</b>	<b>196,912,584</b>	<b>62,759,957</b>
<b>Net Assets - End of Year</b>						<b>\$ 76,673,217</b>	<b>\$ 126,496,635</b>	<b>\$ 203,169,852</b>	<b>\$ 64,963,190</b>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Balance Sheet*

*Governmental Funds*

*September 30, 2008*

ASSETS	General (1010)	Community Mental Health (2220)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 309,840	\$ 977,369	\$ 85,370	\$ 6,357,884	\$ 7,730,463
Investments	427,875	3,730,652	117,892	15,866,840	20,143,259
Receivables					
Accounts	541,639	540,353	57,094	2,430,707	3,569,793
Intergovernmental	506,656	-	-	9,362,481	9,869,137
Accrued interest	593,533	13,309	637	32,394	639,873
Special assessments	-	-	34,550,000	15,555	34,565,555
Current taxes	9,111,129	-	-	-	9,111,129
Other	5,642	-	-	-	5,642
Prepaid Items	-	249,783	-	60,628	310,411
Due from other funds	7,257,679	-	-	4,000,000	11,257,679
Inventories	-	-	-	84,371	84,371
Long-term advances to other funds	588,618	-	-	-	588,618
Long-term note receivable	-	-	-	1,050,000	1,050,000
	<u>\$ 19,342,611</u>	<u>\$ 5,511,466</u>	<u>\$ 34,810,993</u>	<u>\$ 39,260,860</u>	<u>\$ 98,925,930</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, 2008*

	General (1010)	Community Mental Health (2220)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Payables</b>					
Accounts	\$ 511,363	\$ 2,284,405	\$ 62	\$ 4,190,572	\$ 6,986,402
Intergovernmental	-	334,903	166,889	182,576	684,368
Accrued liabilities	1,762,876	1,098,197	-	1,570,220	4,431,293
Due to other funds	8,000,000	-	-	7,257,679	15,257,679
Long-term advances from other funds	-	-	-	21,500	21,500
Deferred revenue	-	50,000	34,550,000	26,286	34,626,286
<b>Total liabilities</b>	<b>\$ 10,274,239</b>	<b>\$ 3,767,505</b>	<b>\$ 34,716,951</b>	<b>\$ 13,248,833</b>	<b>\$ 62,007,528</b>
<b>Fund Balances</b>					
Reserved for long-term advances to other funds	\$ 588,618	\$ -	\$ -	\$ -	\$ 588,618
Reserved for long-term note receivable	-	-	-	1,050,000	1,050,000
Reserved for prepaids/inventory	-	249,783	-	144,999	394,782
Unreserved					
Capital Projects	-	-	-	11,112,804	11,112,804
Grant programs, contracts and other activities	84,767	1,494,178	-	1,684,507	3,263,452
Debt Service	-	-	94,042	1,929,960	2,024,002
Permanent Funds - expendable	-	-	-	14,039	14,039
Permanent Funds - nonexpendable	-	-	-	36,264	36,264
Undesignated - General Fund	8,394,987	-	-	-	8,394,987
Undesignated - Special Revenue	-	-	-	10,039,454	10,039,454
<b>Total Fund Balances</b>	<b>9,068,372</b>	<b>1,743,961</b>	<b>94,042</b>	<b>26,012,027</b>	<b>36,918,402</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 19,342,611</b>	<b>\$ 5,511,466</b>	<b>\$ 34,810,993</b>	<b>\$ 39,260,860</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. 53,954,815

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 8,447,001

Deferred revenue in Debt Service is recognized on the full accrual basis in the Government Wide Financial Statements 34,550,000

Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet (57,197,001)

Net Assets of Governmental Activities \$ 76,673,217

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, 2008*

	General (1010)	Community Mental Health (2220)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 26,887,283	\$ -	\$ -	\$ 2,671,325	\$ 29,558,608
Licenses and permits	19,574	-	-	855,932	875,506
Operating grants and contributions	2,209,607	7,127,755	-	25,621,175	34,958,537
Charges for services	8,346,905	63,023,047	-	15,524,071	86,894,023
Fines and forfeitures	667,067	-	-	9,604	676,671
Investment income	807,050	145,419	2,494	360,965	1,315,928
Rentals	134,901	-	-	473,320	608,221
Special assessments	-	-	430,000	-	430,000
Contributions from private sources	-	2,029,246	-	7,305	2,036,551
Other	836,666	330,987	-	2,744,273	3,911,926
<b>Total revenues</b>	<u>39,909,053</u>	<u>72,656,454</u>	<u>432,494</u>	<u>48,267,970</u>	<u>161,265,971</u>
<b>Expenditures</b>					
<b>Current operations</b>					
Legislative	430,462	-	-	-	430,462
Judicial	7,086,700	-	-	1,323,364	8,410,064
General County government	13,239,260	-	-	5,387,509	18,626,769
Public safety	11,382,775	-	-	1,859,347	13,242,122
Health	-	73,022,007	-	34,964,724	107,986,731
Welfare	-	-	-	12,224,455	12,224,455
Culture	202,604	-	-	125,305	327,909
Recreation	-	-	-	608,451	608,451
Other	451,058	-	-	633,986	1,085,044
Capital outlay	7,681	72,408	-	1,342,072	1,422,161
<b>Debt service</b>					
Principal payments	-	-	375,000	1,340,000	1,715,000
Interest	-	-	925	872,977	873,902
Other	-	-	-	1,600	1,600
<b>Total expenditures</b>	<u>32,800,540</u>	<u>73,094,415</u>	<u>375,925</u>	<u>60,683,790</u>	<u>166,954,670</u>
<b>Revenues over (under) expenditures</b>	<u>7,108,513</u>	<u>(437,961)</u>	<u>56,569</u>	<u>(12,415,820)</u>	<u>(5,688,699)</u>
<b>Other financing sources (uses)</b>					
Sales of Capital Assets	-	4,175	-	2,406	6,581
Transfers in	5,006,503	608,232	-	10,521,128	16,135,863
Bond Issuance	-	-	-	6,000,000	6,000,000
Transfers (out)	<u>(11,707,068)</u>	<u>-</u>	<u>-</u>	<u>(3,894,895)</u>	<u>(15,601,963)</u>
	<u>(6,700,565)</u>	<u>612,407</u>	<u>-</u>	<u>12,628,639</u>	<u>6,540,481</u>
<b>Net change in fund balance</b>	<u>407,948</u>	<u>174,446</u>	<u>56,569</u>	<u>212,819</u>	<u>851,782</u>
Fund balance at beginning of year	<u>8,660,424</u>	<u>1,569,515</u>	<u>37,473</u>	<u>25,799,208</u>	<u>36,066,620</u>
Fund balance at end of year	<u>\$ 9,068,372</u>	<u>\$ 1,743,961</u>	<u>\$ 94,042</u>	<u>\$ 26,012,027</u>	<u>\$ 36,918,402</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, 2008**

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

Net Change in fund balances - total governmental funds	\$ 851,782
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	(629,350)
The repayment of long term debt consumes current financial resources but does not effect net assets	1,715,000
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	(26,126)
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	(430,000)
Recognition of special assessment revenue with the issuance of special assessment debt	6,000,000
The issuance of long term debt provides current financial resources but does not affect net assets	(6,000,000)
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	154,285
Due from other funds in the General Fund for cash deficits	3,257,679
Due to General Fund and proprietary funds in Governmental funds	(7,257,679)
Due to Proprietary funds from Governmental funds for cash deficits	4,000,000
Due from General Fund in Governmental funds	(4,000,000)
Due to other funds in the General Fund	4,000,000
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	900,583
Long term advances from Internal Service funds	(900,583)
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>(687,352)</u>
Change in net assets of governmental activities	<u><u>\$ 948,239</u></u>

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

County of Muskegon

Statement of Net Assets  
 Proprietary Funds  
 September 30, 2008

ASSETS	2007 Delinquent Tax Revolving (5167)	Solid Waste (5710)	Airport (5810)	Northside Water (5910)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>CURRENT ASSETS</b>								
Cash and cash equivalents	\$ 1,104,241	\$ 3,615,504	\$ 856,853	\$ 2,255,129	\$ 1,922,481	\$ 2,544,209	\$ 12,298,417	\$ 5,184,927
Investments	1,524,904	7,373,789	1,182,996	3,114,225	6,926,968	3,622,265	23,745,147	7,020,113
Receivables								
Accounts	-	456,601	153,119	449,350	1,730,683	39,973	2,829,726	20,700
Intergovernmental	-	-	-	-	-	263,314	263,314	-
Accrued interest	2,503	31,009	3,352	1,119,470	42,282	31,619	1,230,235	35,024
Current taxes	4,073,225	-	-	12,267	-	121,983	4,207,475	-
Current portion of interest and penalties on delinquent taxes	448,055	-	-	-	-	32,860	480,915	-
Due from other funds	-	-	-	-	-	4,000,000	4,000,000	-
Prepaid expenses	-	-	-	-	-	31,000	31,000	-
Inventories	-	7,242	-	-	39,713	-	46,955	-
Restricted Assets	-	1,431,916	-	-	-	132,959	1,564,875	-
Total current assets	7,152,928	12,916,061	2,196,320	6,950,441	10,662,127	10,820,182	50,698,059	12,260,764
<b>NONCURRENT ASSETS</b>								
Long-term advances to other funds	-	-	-	-	-	1,088,195	1,088,195	900,583
Long-term note receivable	-	-	-	-	-	-	-	1,892,096
Delinquent taxes	4,895,196	-	-	-	-	2,186,988	7,082,184	-
Interest and penalties on delinquent taxes	547,623	-	-	-	-	524,163	1,071,786	-
Land	-	826,516	11,417,189	-	7,552,419	199,487	19,995,611	444,908
Construction in progress	-	-	-	11,011,881	16,052,563	131,629	27,196,073	-
Property and equipment at cost, net of accumulated depreciation	-	5,381,311	9,909,094	6,826,256	82,345,424	7,363,522	111,825,607	3,248,841
Total noncurrent assets	5,442,819	6,207,827	21,326,283	17,838,137	105,950,406	11,493,984	168,259,456	6,486,428
Total assets	\$ 12,595,747	\$ 19,123,888	\$ 23,522,603	\$ 24,788,578	\$ 116,612,533	\$ 22,314,166	\$ 218,957,515	\$ 18,747,192

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, 2008

	2007 Delinquent Tax Revolving (5167)	Solid Waste (5710)	Airport (5810)	Northside Water (5910)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable	\$ -	\$ 597,006	\$ 107,193	\$ 1,511,524	\$ 3,780,205	\$ 75,112	\$ 6,071,040	\$ 1,953,440
Accrued liabilities	-	143,614	152,731	353,540	1,064,403	354,477	2,068,765	4,095,311
Current portion of accrued closure costs	-	1,441,000	-	-	-	-	1,441,000	-
Accrued interest	145,444	-	17,634	-	120,558	-	283,636	-
Current portion of tax anticipation notes payable	7,500,000	-	-	-	-	1,500,000	9,000,000	-
Long-term debt payable in less than one year	-	-	225,000	430,000	1,690,000	185,000	2,530,000	1,163,840
Total current liabilities	<u>\$ 7,645,444</u>	<u>\$ 2,181,620</u>	<u>\$ 502,558</u>	<u>\$ 2,295,064</u>	<u>\$ 6,655,166</u>	<u>\$ 2,114,589</u>	<u>\$ 21,394,441</u>	<u>\$ 7,212,591</u>
<b>NONCURRENT LIABILITIES</b>								
Notes payable	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000	\$ -
Accrued closure costs	-	6,951,155	-	-	-	-	6,951,155	-
Accrued liabilities	-	-	-	-	-	-	-	1,387,567
Land contract payable	-	-	-	-	-	-	-	-
Long-term advances from other funds	-	-	1,688,778	-	-	300,000	1,988,778	567,118
Long-term debt due in more than one year	-	-	1,030,000	16,565,000	41,031,506	-	58,626,506	1,132,915
Total noncurrent liabilities	<u>3,500,000</u>	<u>6,951,155</u>	<u>2,718,778</u>	<u>16,565,000</u>	<u>41,031,506</u>	<u>300,000</u>	<u>71,066,439</u>	<u>3,087,600</u>
Total liabilities	<u>11,145,444</u>	<u>9,132,775</u>	<u>3,221,336</u>	<u>18,860,064</u>	<u>47,686,672</u>	<u>2,414,589</u>	<u>92,460,880</u>	<u>10,300,191</u>
<b>NET ASSETS</b>								
Invested in Capital Assets, Net of related debt	-	5,381,311	8,654,094	-	39,623,918	7,178,522	60,837,845	3,713,985
Restricted for cell closure	-	4,609,802	-	-	-	-	4,609,802	-
Unrestricted	1,450,303	-	11,647,173	5,928,514	29,301,943	12,721,055	61,048,988	4,733,016
Total Net Assets	<u>\$ 1,450,303</u>	<u>\$ 9,991,113</u>	<u>\$ 20,301,267</u>	<u>\$ 5,928,514</u>	<u>\$ 68,925,861</u>	<u>\$ 19,899,577</u>	<u>\$ 126,496,635</u>	<u>\$ 8,447,001</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, 2008

	2007 Delinquent Tax Revolving (5167)	Solid Waste (5710)	Airport (5810)	Northside Water (5910)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>Operating revenues</b>								
Charges for services	\$ -	\$ 2,460,224	\$ 1,321,328	\$ 1,908,237	\$ 13,831,860	\$ 800,603	\$ 20,322,252	\$ -
Farm sales	-	-	-	-	2,138,201	-	2,138,201	-
Interest and penalties on delinquent taxes	1,605,862	-	-	-	-	1,020,441	2,626,303	-
Premiums	-	-	-	-	-	-	-	15,209,880
Rents	-	-	-	-	-	-	-	1,802,850
Other	-	36,094	89,432	20,426	(171,449)	34,591	9,094	6,963,865
	<u>1,605,862</u>	<u>2,496,318</u>	<u>1,410,760</u>	<u>1,928,663</u>	<u>15,798,612</u>	<u>1,855,635</u>	<u>25,095,850</u>	<u>23,976,595</u>
<b>Operating expenses</b>								
Salaries and fringe benefits	-	772,043	855,783	219,768	4,082,463	1,833,719	7,763,776	1,222,677
Supplies and other operating expenses	18,676	(95,462)	893,954	2,296,907	6,949,515	1,379,743	11,443,333	1,541,914
Insurance benefits and claims	-	-	-	-	-	-	-	2,671,962
Insurance premiums	-	-	-	-	-	-	-	18,566,145
Interest expense	144,174	-	-	-	-	265,000	409,174	151,181
Depreciation and amortization	-	648,465	633,371	71,754	4,372,773	59,684	6,323,205	920,968
	<u>162,850</u>	<u>1,325,046</u>	<u>2,383,108</u>	<u>2,588,429</u>	<u>15,404,751</u>	<u>4,075,304</u>	<u>25,939,488</u>	<u>25,074,847</u>
Operating income (loss)	<u>1,443,012</u>	<u>1,171,272</u>	<u>(972,348)</u>	<u>(659,766)</u>	<u>393,861</u>	<u>(2,219,669)</u>	<u>(843,638)</u>	<u>(1,098,252)</u>
<b>Non Operating revenues (expenses)</b>								
Operating subsidies	-	-	-	3,469,794	275,872	2,365,789	6,111,455	-
Interest income	7,291	384,456	35,318	130,952	532,399	424,953	1,515,369	402,517
Interest expense	-	-	(110,051)	(580,615)	(1,126,322)	(38,018)	(1,855,006)	-
Other	-	41,000	92,411	-	35,968	11,650	181,029	8,383
	<u>7,291</u>	<u>425,456</u>	<u>17,678</u>	<u>3,020,131</u>	<u>(282,083)</u>	<u>2,764,374</u>	<u>5,952,847</u>	<u>410,900</u>
Income (loss) before operating transfers and capital contributions	<u>1,450,303</u>	<u>1,596,728</u>	<u>(954,670)</u>	<u>2,360,365</u>	<u>111,778</u>	<u>544,705</u>	<u>5,109,209</u>	<u>(687,352)</u>
Capital contributions	-	-	607,975	-	-	125,745	733,720	-
Transfers in	-	67,204	1,202,847	219,654	-	8,253,146	9,742,851	-
Transfers (out)	-	-	-	-	-	(10,276,751)	(10,276,751)	-
	<u>-</u>	<u>67,204</u>	<u>1,810,822</u>	<u>219,654</u>	<u>-</u>	<u>(1,897,860)</u>	<u>199,820</u>	<u>-</u>
Change in Net Assets	<u>1,450,303</u>	<u>1,663,932</u>	<u>856,152</u>	<u>2,580,019</u>	<u>111,778</u>	<u>(1,353,155)</u>	<u>5,309,029</u>	<u>(687,352)</u>
Net Assets at beginning of year	-	8,327,181	19,445,115	3,348,495	68,814,083	21,252,732	121,187,606	9,134,353
Net Assets at end of year	<u>\$ 1,450,303</u>	<u>\$ 9,991,113</u>	<u>\$ 20,301,267</u>	<u>\$ 5,928,514</u>	<u>\$ 68,925,861</u>	<u>\$ 19,899,577</u>	<u>\$ 126,496,635</u>	<u>\$ 8,447,001</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, 2008

	2007 Delinquent Tax Revolving (5167)	Solid Waste (5710)	Airport (5810)	Northside Water (5910)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
Cash Received from Customers	\$ 1,605,862	\$ 2,305,799	\$ 1,391,682	\$ 1,480,037	\$ 16,777,923	\$ 1,814,589	\$ 25,375,892	\$ 490,473
Cash Received from other funds	-	-	-	-	-	-	-	23,492,866
Cash Payments to Suppliers of Goods and Services	(18,676)	(1,372,699)	(840,030)	(1,149,900)	(5,299,091)	(1,358,364)	(10,038,760)	(22,884,985)
Interest Paid	(144,174)	-	-	-	-	(426,250)	(570,424)	-
Cash Payments to Employees for Services	-	(750,195)	(845,634)	(219,885)	(4,031,559)	(1,873,810)	(7,721,083)	(1,217,617)
Note Proceeds	11,000,000	-	-	-	-	-	11,000,000	-
Tax collections	8,228,349	-	-	-	-	-	8,228,349	-
Delinquent tax payments to municipalities	(19,082,905)	-	-	-	-	-	(19,082,905)	-
Other receipts	-	36,094	89,432	20,426	(171,449)	53,958	28,461	-
Net cash provided by (used for) Operating Activities	1,588,456	218,999	(204,550)	130,678	7,275,824	(1,789,877)	7,219,530	(119,263)
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Advances from (to) other funds	-	-	(362,088)	-	-	(3,718,580)	(4,080,668)	-
Tax Collections	1,035,901	-	-	-	-	8,691,936	9,727,837	-
Increase in Investments	-	-	-	-	-	(201,771)	(201,771)	-
Operating Subsidies from Grants	-	-	-	3,469,794	275,872	2,406,388	6,152,054	-
Transfers (out)	-	-	-	-	-	(10,276,751)	(10,276,751)	-
Transfers in	-	67,204	1,202,847	219,654	-	8,253,146	9,742,851	-
Sales of non-capitalized assets	-	-	-	-	-	-	-	8,383
Note payments	-	-	-	-	-	(9,000,000)	(9,000,000)	-
Net cash provided by (used for) noncapital financing activities	1,035,901	67,204	840,759	3,689,448	275,872	(3,845,632)	2,063,552	8,383
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Bond and Note Issuance	-	-	-	9,215,000	9,767,667	-	18,982,667	-
Principal payments on long term debt	-	-	(210,000)	(120,000)	(2,545,000)	(190,000)	(3,065,000)	(1,777,702)
Principal received (paid) on long term advances	-	-	-	-	-	-	-	80,667
Interest expense and agent fees	-	-	(112,991)	(425,718)	(1,259,889)	(42,926)	(1,841,524)	-
Purchase of capital assets	-	(549,589)	(178,806)	(6,898,010)	(1,100,357)	-	(8,726,762)	(494,565)
Construction in progress	-	-	-	(3,843,287)	(9,304,966)	(125,745)	(13,273,998)	-
Operating Subsidies	-	-	-	-	-	-	-	-
Sale of capital assets	-	41,000	-	-	35,968	10,640	87,608	-
Capital contributions and grants	-	-	607,975	-	-	125,745	733,720	-
Net cash used for capital and related financing activities	-	(508,589)	106,178	(2,072,015)	(4,406,577)	(222,286)	(7,103,289)	(2,191,600)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>								
Payments received on note receivable	-	-	-	-	-	-	-	1,354,465
Proceeds from sales and maturities of investments	-	4,370,512	748,059	2,077,810	-	7,297,052	14,493,433	9,360,878
Purchase of investments	(1,524,904)	(4,652,583)	(1,102,635)	(2,901,995)	(3,539,004)	(3,274,663)	(16,995,784)	(6,685,570)
Interest received from investment pool	4,788	384,629	32,699	124,999	531,865	424,873	1,503,853	398,296
Net cash provided by investing activities	(\$ 1,520,116)	\$ 1,022,558	(\$ 321,877)	(\$ 699,186)	(\$ 3,007,139)	\$ 4,447,262	(\$ 998,498)	\$ 4,428,069

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, 2008

	2007 Delinquent Tax Revolving (5167)	Solid Waste (5710)	Airport (5810)	Northside Water (5910)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 1,104,241	(\$ 119,828)	\$ 420,510	\$ 1,048,925	\$ 137,980	(\$ 1,410,533)	\$ 1,181,295	\$ 2,125,589
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	-	3,735,332	436,343	1,206,204	1,784,501	3,954,742	11,117,122	3,059,338
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,104,241	\$ 3,615,504	\$ 856,853	\$ 2,255,129	\$ 1,922,481	\$ 2,544,209	\$ 12,298,417	\$ 5,184,927
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES								
Operating income (loss)	\$ 1,443,012	\$ 1,171,272	(\$ 972,348)	(\$ 659,766)	\$ 393,861	(\$ 2,219,669)	(\$ 843,638)	(\$ 1,098,252)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation expense	-	648,465	633,371	71,754	4,372,773	596,842	6,323,205	920,968
Changes in Assets and Liabilities:								
(Increase) decrease in accounts receivable	-	(154,425)	(22,057)	(3,415)	807,862	(6,672)	621,293	6,744
(Increase) decrease in intergovernmental receivable	-	-	92,411	(424,785)	-	-	(332,374)	-
(Increase) decrease in inventory	-	2,517	-	-	6,490	-	9,007	-
Increase (decrease) in accounts payable	-	529,583	53,924	1,147,007	1,643,934	24,284	3,398,732	442,679
(Increase) decrease in prepaid expenses	-	-	-	-	-	19,584	19,584	-
(Increase) decrease in restricted assets	-	(126,491)	-	-	-	(2,905)	(129,396)	-
(Decrease) in closure costs	-	(1,873,770)	-	-	-	-	(1,873,770)	-
Increase (decrease) in due to other funds	-	-	-	-	-	-	-	-
Increase (decrease) in accrued liabilities	145,444	21,848	10,149	(117)	50,904	(201,341)	26,887	(391,402)
Total adjustments	145,444	(952,273)	767,798	790,444	6,881,963	429,792	8,063,168	978,989
Net cash provided by operations	\$ 1,588,456	\$ 218,999	(\$ 204,550)	\$ 1,30,678	\$ 7,275,824	(\$ 1,789,877)	\$ 7,219,530	(\$ 119,263)

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Fiduciary Net Assets  
Fiduciary Funds  
September 30, 2008*

	<u>Agency Funds</u>	<u>Trust Fund Retirees' Insurance (7330)</u>
<b>ASSETS</b>		
Cash and cash investments	\$ 15,866,885	\$ -
Accounts receivable	1,015,286	-
Accrued interest receivable	12,989	-
	<u>\$ 16,895,160</u>	<u>\$ -</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 355,004	\$ -
Intergovernmental payable	629,219	-
Undistributed current and delinquent taxes	8,968,826	-
Trust deposits	2,266,971	-
Accrued liabilities	621,180	-
Unallocated receipts	4,029,475	-
Fines and Fees due to local municipalities and libraries	24,485	-
	<u>\$ 16,895,160</u>	<u>-</u>
Net Assets		
Held in trust for pension benefits		<u>\$ -</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, 2008*

	<b>Retirees' Insurance (7330)</b>
<b>Additions</b>	
<b>Contributions</b>	
Employer	\$ -
Plan members	-
Investment earnings	<u>11,543</u>
<b>Total Additions</b>	<u>11,543</u>
<b>Deductions</b>	
Benefits Paid	-
Benefits Transferred to Third Party	606,713
Expenses	-
<b>Total Deductions</b>	<u>606,713</u>
<b>Change in Net Assets</b>	<b>(595,170)</b>
Net Assets - Beginning	<u>595,170</u>
Net Assets - Ending	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2008

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, an 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, 2008

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, 2008

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, 2008

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

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

**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:

**2007 Delinquent Tax Revolving** (5167) accounts for funds collected on delinquent taxes and held for debt payments and future appropriations to the General fund of the County for operations or to other funds for debt repayments on bond issues.

**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.

**Northside Water** (5910) provides for the continued operations of a regional water system for the townships of Dalton, Laketon and Muskegon.

**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, 2008

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, Solid Waste, Northside Water, and the Airport enterprise funds 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, 2008

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, 2008

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 \$6,567,001 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, 2008

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, 2008

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)	\$673,385
Sobriety Court (1170)	1,298
Emergency Services (1190)	22,595
Marine Safety (1200)	17,723
Park Fund (2080)	132,977
Health Department (2210)	151,813
Community Mental Health (2220)	1,743,961
Accommodations Tax (2300)	75,624
Deed Automation Fund (2560)	884,070
TNT Drug (2671)	55,025
Prosecutor Drug (2672)	13,569
Crime Victims' Rights (2800)	3,950

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

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

1) Fund Balance Reserves and Designations - continued

General and Special Revenue - continued

EDC Loan Revolving (2860)	267,643
Rambusch-Fuchs CDBG Grant (2873)	3,549
Mental Health Buildings (2970)	2,133
Victim Restitution (2980)	<u>52,538</u>
	<u>\$4,101,853</u>

Debt Service

Designated for debt service	<u>\$2,024,002</u>
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Capital Projects

Laketon Township Sewer (4634)	\$5,060,050
Muskegon/Egelston/Dalton Sewer (4641)	187,400
Future capital projects (4930) (4960)	5,436,738
Long-term Note Receivable (4930) (4960)	1,050,000
Capital improvements designated for drain projects (8010)	<u>428,616</u>
	<u>\$12,162,804</u>

Permanent Funds

Designated for perpetual care (1500) (1550)	<u>\$50,303</u>
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County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2008

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, 2008

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, 2008

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 Federal Register CFR 2 Part 225 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 2008), 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 2008, the county's indirect cost rate was 9.1858% 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, 2008

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.

Investments

At September 30, 2008, the County had the following investments:

Treasury Bills	\$10,000,000
Certificates of Deposit	32,000,000
Commercial Paper	<u>4,908,519</u>
Total	<u>\$46,908,519</u>

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, 2008, \$77,434,664 of the County's bank balances of \$78,434,664 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$30,321,432
Uninsured and collateral held by third party custodian in County's name	2,900,000
Uninsured and collateral held by pledging bank's trust department not in the County's name	<u>44,213,232</u>
	<u>\$77,434,664</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

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	1,480,725	2.600%	10/01/2008
UBS	1,469,344	2.780%	01/30/2009
UBS	979,075	2.850%	02/17/2009

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS -CONTINUED

September 30, 2008

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

Company Name	Amount purchased	Interest Rate	Due Date
National City	979,375	2.810%	02/17/2009

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, 2008.

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, 2008

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 \$57,197,001 difference are as follows:

Special Assessment bonds	\$34,605,000
General Obligation bonds	10,430,000
Building Authority bonds	5,595,000
Compensated absences	<u>6,567,001</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$57,197,001</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED

September 30, 2008

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 (\$629,350) difference are as follows:

Capital Outlay	\$2,062,288
Construction in progress changes in Internal Service	2,182
Internal Service asset purchases	(496,747)
Internal Service depreciation	920,968
Depreciation Expense as presented for Governmental Activities	<u>(3,118,041)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>(\$629,350)</u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED  
September 30, 2008

NOTE 6 - CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2008 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	\$3,943,938	\$364,282	\$ -	\$4,308,220
Construction in progress	<u>2,180</u>	<u>-</u>	<u>2,180</u>	<u>0</u>
	<u>3,946,118</u>	<u>364,282</u>	<u>2,180</u>	<u>4,308,220</u>
Capital assets being depreciated:				
Land Improvements	4,477,457	258,328	-	4,735,785
Buildings and Improvements	69,952,563	826,658	-	70,779,221
Machinery and Equipment	<u>19,016,505</u>	<u>613,020</u>	<u>197,754</u>	<u>19,431,771</u>
Total assets being depreciated	<u>93,446,525</u>	<u>1,698,006</u>	<u>197,754</u>	<u>94,946,777</u>
Less accumulated depreciation for:				
Land Improvements	(1,520,209)	(174,124)	-	(1,694,333)
Buildings and Improvements	(22,431,052)	(1,669,214)	-	(24,100,266)
Machinery and Equipment	<u>(14,710,939)</u>	<u>(1,274,703)</u>	<u>(173,808)</u>	<u>(15,811,834)</u>
Total accumulated depreciation	<u>(38,662,200)</u>	<u>(3,118,041)</u>	<u>(173,808)</u>	<u>(41,606,433)</u>
Total capital assets being depreciated, net	<u>54,784,325</u>	<u>(1,420,035)</u>	<u>23,946</u>	<u>53,340,344</u>
 Governmental activities-capital assets, net	 <u>\$58,730,443</u>	 <u>(\$1,055,753)</u>	 <u>\$26,126</u>	 <u>\$57,648,564</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

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	\$19,421,533	\$574,078	-	\$19,995,611
Construction in progress	<u>23,403,888</u>	<u>20,021,392</u>	<u>16,229,207</u>	<u>27,196,073</u>
Total capital assets not being depreciated	<u>42,825,421</u>	<u>20,595,470</u>	<u>16,229,207</u>	<u>47,191,684</u>
Capital assets being depreciated:				
Land Improvements	22,477,431	290,159	-	22,767,590
Buildings and Improvements	27,174,849	25,966	-	27,200,815
Machinery and Equipment	19,516,131	7,378,933	1,495,240	25,399,824
Lagoons	9,517,671	-	-	9,517,671
W/W collection and distribution	103,937,336	8,414,615	-	112,351,951
Capitalized interest and engineering	<u>7,372,492</u>	<u>1,689,727</u>	<u>-</u>	<u>9,062,219</u>
Total assets being depreciated	<u>189,995,910</u>	<u>17,799,400</u>	<u>1,495,240</u>	<u>206,300,070</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

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	(13,258,584)	(570,784)	-	(13,829,368)
Buildings and Improvements	(10,684,364)	(835,765)	-	(11,520,129)
Machinery and Equipment	(12,694,461)	(1,196,891)	(1,330,336)	(12,561,016)
Lagoons	(3,250,792)	(95,308)	-	(3,346,100)
W/W collection and distribution	(45,126,454)	(3,356,041)	-	(48,482,495)
Capitalized interest and engineering	<u>(4,466,939)</u>	<u>(268,416)</u>	<u>-</u>	<u>(4,735,355)</u>
Total accumulated depreciation	<u>(89,481,594)</u>	<u>(6,323,205)</u>	<u>(1,330,336)</u>	<u>(94,474,463)</u>
Total business-type assets being depreciated, net	<u>100,514,316</u>	<u>11,476,195</u>	<u>164,904</u>	<u>111,825,607</u>
Business-type activities-capital assets, net	<u>\$143,339,737</u>	<u>\$32,071,665</u>	<u>\$16,394,111</u>	<u>\$159,017,291</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 6 - CAPITAL ASSETS - Continued

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

Governmental activities:

Judicial	\$27,356
General County Government	2,374,768
Public Safety	185,645
Health	218,083
Welfare	104,911
Culture	615
Recreation	<u>206,663</u>
Total Depreciation Expense - Governmental activities	<u>\$3,118,041</u>
Business-type Activities	
Solid Waste	\$648,465
Airport	633,371
Northside Water	71,754
Wastewater	4,372,773
Other Proprietary Funds	<u>596,842</u>
Total Depreciation Expense - business-type activities	<u>\$6,323,205</u>

In accordance with the reporting under GASB Statement 42, the County has no impairment of capital assets for the year ended September 30, 2008.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 7 - LONG-TERM DEBT

Change in Long-term debt of the county for the year ended September 30, 2008 was as follows:

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2008</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)	\$2,330,000	\$ -	(\$100,000)	\$2,230,000	\$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)	5,075,000		(275,000)	4,800,000	275,000
Laketon Sewer Bond - payable in increasing installments ranging from \$185,000 in 2009 to \$450,000 in 2028 with interest from 4.00% to 4.625%. (8834) (Issued \$6,000,000)		6,000,000		6,000,000	185,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2008</u>	<u>Due within one year</u>
<u>Governmental Activities - continued</u>					
<b>Special Assessment with Gov. commitment (continued)</b>					
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	
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	55,000
<b>Building Authority 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)	11,355,000		(925,000)	10,430,000	1,005,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2008</u>	<u>Due within one year</u>
<u>Governmental Activities - continued</u>					
<b>Building Authority Limited Tax GO 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		(175,000)	350,000	175,000
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>5,485,000</u>	<u>          </u>	<u>(240,000)</u>	<u>5,245,000</u>	<u>255,000</u>
Total Bonds Payable	<u>46,345,000</u>	<u>6,000,000</u>	<u>(1,715,000)</u>	<u>50,630,000</u>	<u>2,050,000</u>
Land contract payable in monthly installments of \$3,033.20 including interest at 8% until August 2009 (6660) (Issued \$ 250,000)	64,478		(32,411)	32,067	32,067
Installment note Payable in 60 monthly principal installments of \$27,771 plus interest at 4.12% until June 2009 (6660)	623,717		(364,218)	259,499	259,499

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2008</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)	803,321		(651,452)	151,869	151,869
Installment note Payable in 60 monthly installments of \$32,789 plus interest at 5.32% until June 2011 (6660)	1,737,180		(456,452)	1,280,728	438,768
Installment note Payable in 5 annual installments of \$299,369 until November 2009 at 3.10% interest. (6660)	845,761		(273,169)	572,592	281,637
Sick leave and annual time payable as used or upon retirement or termination. (See Note 1(h) for limitations on payoff)(1010)	<u>6,721,286</u>	<u>4,287,928</u>	<u>(4,442,213)</u>	<u>6,567,001</u>	<u>4,400,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$57,140,743</u>	<u>\$10,287,928</u>	<u>(\$7,934,915)</u>	<u>\$59,493,756</u>	<u>\$7,613,840</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2008</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	\$ -	(\$120,000)	\$7,780,000	\$130,000
Muskegon County Water Supply System Bond - payable in increasing annual installments ranging from \$300,000 in 2009 to \$645,000 in 2039 with interest from 3.25% to 4.625%. (5910) (Issued \$9,215,000)		9,215,000		9,215,000	300,000
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)	15,755,000		(455,000)	15,300,000	850,000
Wastewater Bond - payable at \$2,090,000 in 2008 with interest at 5.00% (5936) (Issued \$6,990,000)	2,090,000		(2,090,000)	0	

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2008</u>	<u>Due within one year</u>
<u>Business-Type Activities</u> (continued):					
Bonds Payable					
<b>Revenue Bonds (continued):</b>					
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$745,000 in 2008 to \$1,015,000 in 2027 with interest at 1.625% (5937) (Issued \$17,440,604)	15,928,839	1,509,815	(745,000)	16,693,654	760,000
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$745,000 in 2011 to \$1,015,000 in 2027 with interest at 1.625% (5938) (Partially Issued \$9,021,177)		9,021,177		9,021,177	
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$80,000 in 2008 to \$105,000 in 2028 with interest at 1.625% (5939) (Issued \$1,800,000)	1,725,000		(80,000)	1,645,000	80,000
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$25,000 in 2011 to \$105,000 in 2028 with interest at 2.5% (5940) (Partially Issued \$61,675)		61,675		61,675	

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2008</u>	<u>Due within one year</u>
<u>Business-Type Activities</u> (continued):					
<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)	375,000		(190,000)	185,000	185,000
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>1,465,000</u>	_____	<u>(210,000)</u>	<u>1,255,000</u>	<u>225,000</u>
Total Bonds Payable	45,238,839	19,807,667	(3,890,000)	61,156,506	2,530,000
<b>General Obligation Tax Notes</b>					
2005 - payable at \$1,500,000 in 2008 with interest at 5.50% (5165) (Issued \$9,000,000)	1,500,000		(1,500,000)	0	
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)	9,000,000		(7,500,000)	1,500,000	1,500,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2008</u>	<u>Due within one year</u>
<u>Business-Type Activities</u> (continued):					
<b>General Obligation Tax Notes (continued):</b>					
2007 - payable in annual installments of \$7,500,000 in 2009 and \$3,500,000 in 2010 with interest at 4.00% (5167) (Issued \$11,000,000)	<u>                    </u>	<u>11,000,000</u>	<u>                    </u>	<u>11,000,000</u>	<u>7,500,000</u>
Total General Obligation Tax Notes	<u>10,500,000</u>	<u>11,000,000</u>	<u>(9,000,000)</u>	<u>12,500,000</u>	<u>9,000,000</u>
Total Business-Type Activities long-term liabilities	<u>\$55,738,839</u>	<u>\$30,807,667</u>	<u>(\$12,890,000)</u>	<u>\$73,656,506</u>	<u>\$11,530,000</u>
Total all long-term liabilities	<u>\$112,879,582</u>	<u>\$41,095,595</u>	<u>(\$20,824,915)</u>	<u>\$133,150,262</u>	<u>\$19,143,840</u>

Bonds payable to Michigan Municipal Bond Authority (MMBA) are under special State authority where bond funds are received based on reimbursable and allowed expenses for specific State Department of Environmental Quality approved projects. Funds are received until a predetermined limit is reached or the project is complete. Once the projects are complete, MMBA issues a final bond payment schedule. Until that time, bond principal payments are estimated based on the maximum bond amount. Principal payments commence after 18 months from date of original approval.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

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, Laketon 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 (\$22,674,810 at September 30, 2008) and the full faith and credit of the county.

The Building Authority Limited Tax Debt of the county is issued to pay for the construction of a new Community Mental Health Center repayable from building leases. 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 Limited Tax 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, 2008

NOTE 7 - LONG TERM DEBT - Continued

The total requirement for payment of principal and interest amount to \$133,150,262 and \$51,029,752, respectively, at September 30, 2008 as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009-2013	\$22,363,756	\$11,282,360	\$27,826,675	\$9,913,265
2014-2018	13,720,000	7,001,731	15,125,000	6,627,755
2019-2023	8,565,000	4,378,049	16,191,177	4,265,355
2024-2028	6,055,000	2,903,055	11,218,654	1,844,906
2029-2033	5,075,000	1,655,569	1,910,000	635,438
2034-2037	<u>3,715,000</u>	<u>378,000</u>	<u>1,385,000</u>	<u>144,269</u>
Total	<u>\$59,493,756</u>	<u>\$27,598,764</u>	<u>\$73,656,506</u>	<u>\$23,430,988</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

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>Building Authority General Obligation</u>	<u>Building Authority Limited Tax</u>	<u>Revenue Bonds</u>	<u>Building Authority Limited Tax</u>	<u>Delinquent Tax Notes</u>	
2009	1,050,000	1,005,000	430,000	2,560,000	410,000	12,500,000	
2010	1,075,000	1,095,000	445,000	2,785,000	235,000		
2011	1,125,000	1,185,000	285,000	2,821,675	250,000		
2012	1,210,000	1,285,000	300,000	2,840,000	265,000		
2013	1,295,000	1,395,000	320,000	2,880,000	280,000		41,326,675
2014	1,345,000	1,460,000	335,000	2,930,000			
2015	1,400,000	1,500,000	355,000	2,970,000			
2016	1,470,000	1,505,000	375,000	3,025,000			
2017	1,530,000		400,000	3,075,000			

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

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>Building Authority General Obligation</u>	<u>Building Authority Limited Tax</u>	<u>Revenue Bonds</u>	<u>Building Authority Limited Tax</u>	<u>Delinquent Tax Notes</u>	
2018	1,625,000		420,000	3,125,000			28,845,000
2019	1,735,000		445,000	3,185,000			
2020	1,800,000		470,000	3,235,000			
2021	1,045,000		495,000	3,290,000			
2022	1,005,000		520,000	3,355,000			
2023	1,050,000			3,126,177			24,756,177
2024	1,105,000			2,735,000			
2025	1,150,000			2,785,000			
2026	1,210,000			2,840,000			
2027	1,265,000			1,883,654			

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 7 - LONG TERM DEBT - Continued

Year	Governmental Activities			Business-type Activities			Principal due every five years
	Special Assessment	Building Authority General Obligation	Building Authority Limited Tax	Revenue Bonds	Building Authority Limited Tax	Delinquent Tax Notes	
2028	1,325,000			975,000			17,273,654
2029	920,000			345,000			
2030	965,000			365,000			
2031	1,010,000			380,000			
2032	1,065,000			400,000			
2033	1,115,000			420,000			6,985,000
2034	1,175,000			440,000			
2035	1,235,000			460,000			
2036	1,305,000			485,000			
							5,100,000
Total all years	<u>\$34,605,000</u>	<u>\$10,430,000</u>	<u>\$5,595,000</u>	<u>\$59,716,506</u>	<u>\$1,440,000</u>	<u>\$12,500,000</u>	<u>\$124,286,506</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2008

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>\$2,024,002</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 0-6.33 % of their annual covered salary. The County is required to contribute at an actuarially determined rate; the average current rate is 10.52 % 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 2008, the County's annual pension cost was \$4,486,180 with the full amount being paid. The required contribution was determined as part of the December 31, 2006 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, 2008

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>
12/31/06	4,211	100%	0
12/31/07	4,443	100%	0
12/31/08	4,486	100%	0

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 9 - LEASES

The County leases certain office space and equipment under operating leases, which expire on various dates through 2008, with aggregate minimum monthly rentals of \$3,672. Rental expense under operating leases was \$767,402 for the year ended September 30, 2008.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

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)	\$7,257,679	General Fund (1010)	\$8,000,000
Revenue Sharing Reserve (2850)	4,000,000	Co-Op Reimb. Pros. (1150)	8,541
2006 Delinquent Tax (5166)	4,000,000	Emergency Services (1190)	6,502
		Marine Safety (1200)	60,139
		Highway Safety Programs (1210)	127,812
		Prosecutor Family Court (2140)	121
		Family Court (2150)	423,267
		CDGB Housing Grant (2470)	15,792
		Project Cornerstone (2650)	1,025
		WIRED (2730)	46,419
		Wagner-Peyser (2731)	161,431
		TAA/NAFTA (2733)	162,451
		Michigan Prisoner Re-entry (2734)	305,850
		Work Incentive Grant (2735)	5,916

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
		Work First (2751)	1,676,936
		Food Stamp Program (2759)	2,050
		WIA Admin Pool (2760)	544,254
		WIA Adult Program (2761)	531,231
		WIA Youth Program (2762)	722,784
		WIA Dislocated Wrk Program (2763)	488,046
		WIA-SWA No Worker Left Behind (2764)	8,398
		WIA Youth Statewide (2766)	5,251
		WIA Service Center Operations (2767)	25,346
		Incumbent Worker Statewide (2768)	4,090
		WIA SWA TANF Replacement (2770)	44,360
		Crime Victim's Rights (2800)	30,507
		Berry Junction Bike Trail (2825)	612
		Digital Divide Investment Program (2881)	827
		Brookhaven (2900)	1,347,547
		Child Care Facility (2920)	479,295
		Veterans Trust (2940)	20,848
		Whitehall Township Water (4645)	31
	<u>\$15,257,679</u>		<u>\$15,257,679</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, 2008

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)	\$5,006,503	\$11,707,068
Co-Op Reimb.-Pros. (1150)	110,961	
Emergency Services (1190)	219,163	
Marine Safety (1200)	70,912	
Sheriff Road Patrol (1210)	7,605	
Township Patrols (1240)	107,268	
Park Fund (2080)		67,204
Prosecutor Family Court (2140)	133,143	
Family Court (2150)	1,945,536	
Health Department (2210)	1,918,815	
Community Mental Health (2220)	608,232	
Accommodations Tax (2300)		130,629

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

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)	32,598	
Community Corrections (2640)	398,984	
Project Cornerstone (2650)	21,664	
Crime Victim's Rights (2800)	16,365	
Juv. Account. Incent. BG (2831)	20,017	
Facility Master Plan (2840)	32,100	
Revenue Sharing Reserve (2850)		3,156,503
Remonumentation Prog. (2890)	9,920	
Brookhaven (2900)	123,701	
Social Services (2910)	11,241	
Child Care Facility (2920)	3,494,576	
Hall of Justice (3130)	494,097	
CMH Apple Building (4140)	285,871	
Public Improvement (4930)	922,500	540,559
Drain Project (8010)	44,091	
Subtotal Governmental	<u>16,135,863</u>	<u>15,601,963</u>
Delinquent Tax Revolving (5100)		50,000
Tax Forfeitures (5110)		50,000
Delinquent Tax Revolving (5165)		8,229,113

County of Muskegon  
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
 September 30, 2008

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 (5166)	8,253,147	1,947,638
Solid Waste (5710)	67,204	
Northside Water (5910)	219,654	
Muskegon County Airport (5810)	1,199,912	
Muskegon Co. Airport capital contributions (5810)	<u>2,934</u>	
Subtotal Proprietary	<u>9,742,851</u>	<u>10,276,751</u>
Total all funds	<u>\$25,878,714</u>	<u>\$25,878,714</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>
Township Patrols (1240)	\$202,543	\$209,686
Health Department (2210)	\$7,753,240	\$9,013,897
CDBG Housing Grant (2470)	0	246,225
Law Library (2610)	35,658	39,577
Project Cornerstone (2650)	96,966	97,320
Michigan Prisoner Re-entry (2734)	904,717	1,241,217
Workfirst (2751)	4,249,078	4,329,180
WIA Adult Program (2761)	1,050,309	1,293,374
WIA Dislocated Worker (2763)	1,055,368	1,208,174
Strategic Planning (2765)	1,000	1,242
Juv. Accountability Incentive Block Grant (2831)	26,696	26,697
EDC Loan Revolving (2860)	36,095	36,097

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

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>
Remonumentation Program (2890)	107,823	125,165
Brookhaven (2900)	14,901,843	15,079,796
Mental Health Buildings (2970)	240,175	241,206
Victim Restitution (2980)	3,000	3,262
Quality of Life (3111)	1,438,858	1,439,158
Hall of Justice Debt (3130)	494,096	494,097

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

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

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)	300,000	
Muskegon County Land Bank (5500)		\$300,000
Delinquent Tax Revolving (5166)	788,195	
Muskegon County Airport (5810)		\$1,688,778
Drain Revolving (6010)		21,500
Equipment Revolving (6660)		567,118
Insurance (6770)	<u>900,583</u>	
	<u>\$2,577,396</u>	<u>\$2,577,396</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.

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).

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2008

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 14.3% 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, 2008

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - continued

Annual OPEB Cost

For 2008, the County's annual OPEB cost was \$7,583,648 with the full amount being paid. The required contribution was determined as part of the December 31, 2007 actuarial valuation, using the entry age normal 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 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 2008 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
12/31/08	7,584	100%	0

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2008

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

Funding status and funding progress

The funded status of the plan as 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%
2007	19,886,261	91,103,381	22%	71,217,120	46,309,080	154%

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. The actuarial valuation is completed every two years.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2008

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, 2007, actuarial valuation, the entry normal age actuarial cost method was used. The actuarial assumptions included a 8 percent investment rate of return (net of administrative costs) and an average annual healthcare cost trend of 10.5%, 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 market value. 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, 2008 is 28 years.

A separate trust fund was maintained until final transfer of funds for our new district library. During the year through September 30, 2008, expenditures of \$595,170 were transferred to the District Library Trust fund and \$11,543 was recognized for post-retirement health care. The trust fund was closed in March 2008.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

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, 2008 was \$2,824,284. The claim's liability of \$4,796,270 reported in the fund at September 30, 2008, 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 2007 and 2008 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>
2007	5,462,832	12,744,394	(12,691,798)	5,515,428
2008	5,515,428	13,641,328	(14,360,486)	4,796,270

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 14 - CLOSURE AND POST-CLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its Solid Waste landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfills stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$8.4 million reported as landfill closure and post-closure care liability at September 30, 2008 represents the cumulative amount reported to date based on the use of 54 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 13 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$17.8 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 2008. 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
2008	\$10,265,925	(\$1,873,770)	\$8,392,155

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, 2008. 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, 2008

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

Road Commission employees are granted vacation and sick leave in varying amounts based on length of service and employee group. Unused vacation and sick leave days are paid to employees upon termination under limits that vary by employee group. The liability for these compensated absences is accrued when incurred in the government-wide financial statements. The current portion of this liability is estimated based on historical trends. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

(b) CASH, CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk/Deposits

At year-end, the carrying amount of the commission's deposits was \$4,150,833 and the bank balance was \$4,189,622. Of the bank balance, \$100,000 was covered by federal depository insurance and \$4,089,622 was exposed to custodial credit risk as it was uninsured and uncollateralized.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 15 - DISCRETE ENTITY NOTES - Continued

c) Capital Assets

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

	Balance October 1, <u>2007</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2008</u>
Capital Assets not being depreciated				
Land and improvements	<u>\$20,828,632</u>	<u>\$1,067,420</u>	<u>\$ -</u>	<u>\$21,896,052</u>
Capital Assets being depreciated				
Buildings and improvements	3,913,690	-	6,875	3,906,815
Road equipment	9,009,208	666,932	444,584	9,231,556
Other equipment	2,945,827	28,791	2,601	2,972,017
Infrastructure and improvements	<u>57,483,775</u>	<u>3,522,108</u>	<u>1,728,380</u>	<u>59,277,503</u>
Total capital assets depreciated	73,352,500	4,217,831	2,182,440	75,387,891
Less accumulated depreciation for:				
Buildings and improvements	(2,311,157)	(134,956)	-	(2,446,113)
Road equipment	(7,605,502)	(644,108)	(444,521)	(7,805,089)
Other equipment	(1,550,202)	(123,587)	(2,601)	(1,671,188)
Infrastructure and improvements	<u>(25,229,474)</u>	<u>(2,640,274)</u>	<u>(1,728,380)</u>	<u>(26,141,368)</u>
Total accumulated depreciation	<u>(36,696,335)</u>	<u>(3,542,925)</u>	<u>(2,175,502)</u>	<u>(38,063,758)</u>
Total capital assets, being depreciated, net	<u>36,656,165</u>	<u>674,906</u>	<u>6,938</u>	<u>37,324,133</u>
Capital Assets, net	<u>\$57,484,797</u>	<u>\$1,742,326</u>	<u>\$6,938</u>	<u>\$59,220,185</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 15 - DISCRETE ENTITY NOTES - Continued

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

Primary road	\$2,380,062
Local Road	969,736
State Trunkline	156,032
Administrative	<u>37,095</u>
Total Depreciation expense	<u><u>\$3,542,925</u></u>

(e) LONG-TERM DEBT

Long-term debt consisted of the following as of September 30, 2008:

\$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 \$5,907).	\$1,205,907
Capital Leases	161,116
Long Term Compensated Absences	<u>359,870</u>
Total governmental activities long-term liabilities	<u><u>\$1,726,893</u></u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 15 - DISCRETE ENTITY NOTES - Continued

A summary of bonds and loans and long-term compensated absences transactions for the year ended September 30, 2008 follows:

Balance at beginning of year	\$1,723,999
Additions	643,909
Deductions	<u>(641,015)</u>
Balance at end of year	<u>\$1,726,893</u>

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 :	\$1,422,161
Adjustments	
Trade Ins	1,499
Prior year sale of asset defaulted on land contract	141,881
Internal Service fund purchases	<u>496,747</u>
Net Assets capitalized	<u>\$2,062,288</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, 2008

	General Fund - 1010				Community Mental Health - 2220			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>								
Taxes	\$ 27,536,122	\$ 26,722,514	\$ 26,887,283	\$ 164,769	\$ -	\$ -	\$ -	\$ -
Licenses and permits	16,000	16,025	19,574	3,549	-	-	-	-
Operating grants and contributions	2,254,804	2,233,242	2,209,607	(23,635)	7,161,784	7,377,242	7,127,755	(249,487)
Charges for services	9,300,351	8,743,740	8,346,905	(396,835)	62,755,237	63,069,136	63,023,047	(46,089)
Fines and forfeitures	809,300	717,000	667,067	(49,933)	-	-	-	-
Investment income	1,036,021	835,000	807,050	(27,950)	221,000	221,000	145,419	(75,581)
Rentals	139,827	130,974	134,901	3,927	-	-	-	-
Contributions from private sources	-	-	-	-	1,623,856	1,505,971	2,029,246	523,275
Other	1,050,298	903,562	836,666	(66,896)	444,800	391,858	330,987	(60,871)
Total revenues	<u>42,142,723</u>	<u>40,302,057</u>	<u>39,909,053</u>	<u>(393,004)</u>	<u>72,206,677</u>	<u>72,565,207</u>	<u>72,656,454</u>	<u>91,247</u>
<b>Expenditures</b>								
Current operations								
Legislative	420,735	436,305	430,462	5,843	-	-	-	-
Judicial	7,587,586	7,175,355	7,086,700	88,655	-	-	-	-
General County government	14,109,992	13,555,713	13,239,260	316,453	-	-	-	-
Public safety	11,555,395	11,579,830	11,382,775	197,055	-	-	-	-
Health	-	-	-	-	73,387,005	73,546,596	73,022,007	524,589
Welfare	-	-	-	-	-	-	-	-
Culture	204,838	205,233	202,604	2,629	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	527,982	564,218	451,058	113,160	-	-	-	-
Capital outlay	43,623	50,200	7,681	42,519	67,000	90,492	72,408	18,084
Total expenditures	<u>34,450,151</u>	<u>33,566,854</u>	<u>32,800,540</u>	<u>766,314</u>	<u>73,454,005</u>	<u>73,637,088</u>	<u>73,094,415</u>	<u>542,673</u>
Revenues over (under) expenditures	<u>7,692,572</u>	<u>6,735,203</u>	<u>7,108,513</u>	<u>373,310</u>	<u>(1,247,328)</u>	<u>(1,071,881)</u>	<u>(437,961)</u>	<u>633,920</u>
<b>Other financing sources (uses)</b>								
Sales of capital assets	-	-	-	-	11,600	11,600	4,175	(7,425)
Transfers in	5,533,467	5,006,503	5,006,503	-	608,229	608,229	608,232	3
Transfers (out)	(13,226,039)	(11,741,706)	(11,707,068)	34,638	-	-	-	-
	<u>(7,692,572)</u>	<u>(6,735,203)</u>	<u>(6,700,565)</u>	<u>34,638</u>	<u>619,829</u>	<u>619,829</u>	<u>612,407</u>	<u>(7,422)</u>
Net Change in Fund Balance	-	-	407,948	407,948	(627,499)	(452,052)	174,446	626,498
Fund balance at beginning of year	8,660,424	8,660,424	8,660,424	-	1,569,515	1,569,515	1,569,515	-
Fund balance at end of year	<u>\$ 8,660,424</u>	<u>\$ 8,660,424</u>	<u>\$ 9,068,372</u>	<u>\$ 407,948</u>	<u>\$ 942,016</u>	<u>\$ 1,117,463</u>	<u>\$ 1,743,961</u>	<u>\$ 626,498</u>

## **Required Supplementary Information - continued**

*County of Muskegon*

*September 30, 2008*

### **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 2.8%.

Interest rates decreased by about 20%. This caused an decrease in expected revenue of \$229,000

Overall, revenues were short from original expectations by \$2,234,000.

## **Required Supplementary Information - continued**

*County of Muskegon*

*September 30, 2008*

### **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 taxes due to the inflationary increase estimated at 5% coming in at 3.35%.
- Recording fees and transfer taxes were down \$310,000 due to the economy slowing down in the housing market.
- Administrative services revenue was reduced due to charges for some insurances are now going direct versus through the cost allocation plan.
- Inmate pay phone revenue has dropped due to an inmate usage drop.
- General liability insurance costs decreased as insurance reserves were still available to offset claims.

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

Required Supplementary Information - continued

*County of Muskegon*

*Municipal Employees Retirement System of Michigan  
Schedule of Funding Progress  
Year ended September 30, 2008*

*Pension Fund*

Actuarial Valuation Date	Actual Asset Value	Entry Age Actuarial Accrued Liability	UnderFunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UnderFunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll Payroll
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 %
12/31/07	161,096,222	188,720,415	27,624,193	85.4%	46,309,080	60 %

*Postemployment Benefits*

Actuarial Valuation Date	Actual Asset Value	Entry Age Actuarial Accrued Liability	UnderFunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UnderFunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll Payroll
12/31/05	13,842,778	90,915,056	77,072,278	15.2%	44,152,941	175 %
12/31/07	19,886,261	91,103,381	71,217,120	21.8%	46,309,080	154 %

## County of Muskegon

### Budget and actual by Department - General Fund

Year Ended September 30, 2008

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Difference (+/-)</b>
101 Board of Commissioners	\$ 420,735	\$ 436,305	\$ 430,464	\$ 5,841
131 Circuit Court	1,395,564	1,228,679	1,187,652	41,027
132 Circuit Court Collections	50,958	50,534	48,302	2,232
136 District Court	3,667,606	3,476,549	3,441,694	34,855
137 Probation C obo H all Tax	195,338	191,437	184,668	6,769
138 District Court Collections	248,147	253,419	252,256	1,163
145 Jury Commission	26,900	34,749	35,444	(695)
148 Probate Court	808,038	759,496	766,386	(6,890)
151 State Probation	65,859	64,128	58,938	5,190
164 Public Defender	1,107,458	1,097,458	1,096,259	1,199
171 Administration	860,059	767,001	930,236	(163,235)
191 Elections	214,832	209,520	199,131	10,389
201 Accounting	650,502	605,004	603,143	1,861
210 Corporate Counsel	208,321	208,421	160,885	47,536
215 County Clerk	400,566	372,787	363,375	9,412
216 Circuit Court Records	535,277	539,501	521,409	18,092
225 Equalization	1,867,879	1,763,691	1,685,960	77,731
226 Human Resources	505,740	428,806	411,185	17,621
229 Prosecutor	2,270,888	2,190,543	2,124,179	66,364
233 Purchasing	301,963	297,119	298,631	(1,512)
236 Register of Deeds	636,555	630,620	646,708	(16,088)
241 Johnny O. Harris Building	4,558	4,518	4,237	281
242 Training Center	59,948	58,049	58,679	(630)
243 Youth Services Building	4,205	-	1,838	(1,838)

## County of Muskegon

Budget and actual by Department - General Fund - continued

Year Ended September 30, 2008

	Original Budget	Final Budget	Actual	Difference (+/-)
247 Central Services Building	\$ 26,931	\$ 27,604	\$ 28,727	(\$ 1,123)
248 Stark Hall	27,476	26,997	17,060	9,937
252 Transfers	1,462,902	1,497,966	1,177,653	320,313
253 Treasurer	822,551	791,545	796,821	(5,276)
260 Shady Grove Cemetery	3,245	2,823	3,787	(964)
263 Cordova Site O&M	12,566	7,115	6,261	854
265 Courthouse and Grounds	1,111,434	1,076,435	1,053,959	22,476
266 Facility Security Services	88,811	91,013	83,579	7,434
268 Oak Ave. Building	127,327	106,598	113,168	(6,570)
269 Harris Building	-	-	4,223	(4,223)
271 County Jail Building	375,885	448,271	476,552	(28,281)
273 Heritage Landing O&M	152,782	146,928	107,353	39,575
275 Drain Commissioner	301,079	290,551	306,549	(15,998)
284 Plat Board	916	916	-	916
297 Vehicle Pool	26,000	24,722	25,580	(858)
301 Sheriff Operations	3,787,635	3,829,272	3,791,507	37,765
305 Sheriff Administration	425,724	464,862	443,401	21,461
320 Officer Training Act 302	12,000	12,000	11,050	950
350 Correction Officer Training	80,000	65,000	55,375	9,625
351 Sheriff Jail	6,042,676	5,934,088	5,821,401	112,687
355 Courtroom Security	1,121,049	1,186,595	1,179,460	7,135
650 State Institutions	170,243	234,176	224,206	9,970
731 MSU Extension	204,838	205,233	202,604	2,629
941 Misc Contingency	660,077	535,348	535,324	24
959 Information Systems	<u>898,108</u>	<u>892,462</u>	<u>823,281</u>	<u>69,181</u>
Totals	<u>\$ 34,450,151</u>	<u>\$ 33,566,854</u>	<u>\$ 32,800,540</u>	<u>\$ 766,314</u>

## **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.

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.

CDBG Housing Grant (2470)--to account for Federal pass-thru funds received to provide repairs and remodeling of homes for low income residents.

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 funds 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 Federal pass-through funds for recruiting, selecting, and advancing employees on the basis of their relative ability,

knowledge and skills.

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

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.

Work Incentive Grant (2735)--to account for Federal pass-through funds to develop and market information about employment opportunities for individuals with disabilities.

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

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

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

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

WIA Youth Programs (2762)--to account for Federal pass-through 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)--to account for Federal pass-through 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.

WIA-SWA No Worker Left Behind (2764)--to account for Federal pass-through funds to provide tuition payments to enable workers to acquire the necessary skills to succeed in the 21th century global economy.

Strategic Planning (2765)--to account for State funds 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)--to account for State funds to supplement WIA Youth Program activities.

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

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

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

WIA SWA TANF Replacement (2770)--to account for Federal pass-through funds for statewide activities funding which replaces the reduced TANF funding.

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.

Brookhaven (2900)--to account 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.

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.

CMH Apple Building (4140)--to account for revenue and expenditures associated with the addition and improvement of a County Mental Health Center.

Laketon Township Sewer Project (4634)--to account for revenues and expenditures for constructing a sewer extension to serve property in Laketon Township.

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, 2008

**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	\$ -	\$ 848	\$ -	\$ -	\$ -	\$ 3,145	\$ 44,981
Investments	-	2,115	-	-	-	7,847	112,254
Receivables							
Accounts	-	705	35,495	-	-	23,318	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	23,186	-	-	83,840	145,903	-	-
Accrued Interest	-	-	-	-	-	-	251
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-	-
	<u>\$ 23,186</u>	<u>\$ 3,668</u>	<u>\$ 35,495</u>	<u>\$ 83,840</u>	<u>\$ 145,903</u>	<u>\$ 34,310</u>	<u>\$ 157,486</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 353	\$ 2,370	\$ 4,715	\$ -	\$ 9,172	\$ -	\$ 11,732
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	14,292	-	1,683	5,978	8,919	8,024	12,777
Due to other funds	8,541	-	6,502	60,139	127,812	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	26,286	-
	<u>23,186</u>	<u>2,370</u>	<u>12,900</u>	<u>66,117</u>	<u>145,903</u>	<u>34,310</u>	<u>24,509</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	1,298	22,595	17,723	-	-	132,977
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>1,298</u>	<u>22,595</u>	<u>17,723</u>	<u>-</u>	<u>-</u>	<u>132,977</u>
	<u>\$ 23,186</u>	<u>\$ 3,668</u>	<u>\$ 35,495</u>	<u>\$ 83,840</u>	<u>\$ 145,903</u>	<u>\$ 34,310</u>	<u>\$ 157,486</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2008

**SPECIAL REVENUE**

	Prosecutor		Health	Accommodations	CDBG Housing	Deed	Budget
	Family	Family Court	Department	Tax	Grant	Automation	Stabilization
	Court					Fund	
	(2140)	(2150)	(2210)	(2300)	(2470)	(2560)	(2570)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 155,337	\$ 10,665	\$ -	\$ 252,116	\$ 657,967
Investments	-	-	387,662	26,615	-	629,185	1,642,033
Receivables							
Accounts	-	1,876	167,486	59,142	-	490	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	10,729	622,943	5,531	-	15,512	-	-
Accrued Interest	-	-	-	31	280	2,345	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	33,057	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-	-
	<u>\$ 10,729</u>	<u>\$ 624,819</u>	<u>\$ 749,073</u>	<u>\$ 96,453</u>	<u>\$ 15,792</u>	<u>\$ 884,136</u>	<u>\$ 2,300,000</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ 4,145	\$ 288,248	\$ 5,849	\$ -	\$ 66	\$ -
Intergovernmental payable	-	-	12,421	-	-	-	-
Accrued liabilities	10,608	197,407	296,591	14,980	-	-	-
Due to other funds	121	423,267	-	-	15,792	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>10,729</u>	<u>624,819</u>	<u>597,260</u>	<u>20,829</u>	<u>15,792</u>	<u>66</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	151,813	75,624	-	884,070	-
Undesignated	-	-	-	-	-	-	2,300,000
	<u>-</u>	<u>-</u>	<u>151,813</u>	<u>75,624</u>	<u>-</u>	<u>884,070</u>	<u>2,300,000</u>
	<u>\$ 10,729</u>	<u>\$ 624,819</u>	<u>\$ 749,073</u>	<u>\$ 96,453</u>	<u>\$ 15,792</u>	<u>\$ 884,136</u>	<u>\$ 2,300,000</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2008

**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	\$ 1,440	\$ 2,350	\$ -	\$ 15,162	\$ 4,219	\$ -	\$ -
Investments	3,595	5,866	-	37,837	10,530	-	-
Receivables							
Accounts	-	21	-	3,104	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	33,128	5,554	-	-	85,777	245,020
Accrued Interest	-	-	-	147	-	19	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-	-
	<u>\$ 5,035</u>	<u>\$ 41,365</u>	<u>\$ 5,554</u>	<u>\$ 56,250</u>	<u>\$ 14,749</u>	<u>\$ 85,796</u>	<u>\$ 245,020</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 5,035	\$ 20,207	\$ -	\$ 1,225	\$ 1,180	\$ 39,377	\$ 83,589
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	21,158	4,529	-	-	-	-
Due to other funds	-	-	1,025	-	-	46,419	161,431
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>5,035</u>	<u>41,365</u>	<u>5,554</u>	<u>1,225</u>	<u>1,180</u>	<u>85,796</u>	<u>245,020</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	55,025	13,569	-	-
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,025</u>	<u>13,569</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,035</u>	<u>\$ 41,365</u>	<u>\$ 5,554</u>	<u>\$ 56,250</u>	<u>\$ 14,749</u>	<u>\$ 85,796</u>	<u>\$ 245,020</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2008

**SPECIAL REVENUE**

	TAA/NAFTA (2733)	Michigan Prisoner Re-entry (2734)	Work Incentive Grant (2735)	Workfirst (2751)	Food Stamp Program (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	527,827	553,613	5,916	2,349,497	2,450	603,407	738,782
Accrued Interest	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-	-
	<u>\$ 527,827</u>	<u>\$ 553,613</u>	<u>\$ 5,916</u>	<u>\$ 2,349,497</u>	<u>\$ 2,450</u>	<u>\$ 603,407</u>	<u>\$ 738,782</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 365,376	\$ 247,763	\$ -	\$ 672,561	\$ 400	\$ 890	\$ 207,551
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	58,263	-
Due to other funds	162,451	305,850	5,916	1,676,936	2,050	544,254	531,231
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>527,827</u>	<u>553,613</u>	<u>5,916</u>	<u>2,349,497</u>	<u>2,450</u>	<u>603,407</u>	<u>738,782</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 527,827</u>	<u>\$ 553,613</u>	<u>\$ 5,916</u>	<u>\$ 2,349,497</u>	<u>\$ 2,450</u>	<u>\$ 603,407</u>	<u>\$ 738,782</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2008

**SPECIAL REVENUE**

	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)	WIA-SWA No Worker Left Behind (2764)	Strategic Planning (2765)	WIA Youth Statewide (2766)	WIA Service Center Operations (2767)	Incumbent Worker Statewide (2768)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 9,744	\$ -	\$ -	\$ -
Investments	-	-	-	24,316	-	-	-
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	827,878	743,726	8,398	-	5,409	40,889	4,090
Accrued Interest	-	-	-	95	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-	-
	<u>\$ 827,878</u>	<u>\$ 743,726</u>	<u>\$ 8,398</u>	<u>\$ 34,155</u>	<u>\$ 5,409</u>	<u>\$ 40,889</u>	<u>\$ 4,090</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 99,725	\$ 255,680	\$ -	\$ -	\$ 158	\$ 15,543	\$ -
Intergovernmental payable	-	-	-	34,155	-	-	-
Accrued liabilities	5,369	-	-	-	-	-	-
Due to other funds	722,784	488,046	8,398	-	5,251	25,346	4,090
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>827,878</u>	<u>743,726</u>	<u>8,398</u>	<u>34,155</u>	<u>5,409</u>	<u>40,889</u>	<u>4,090</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 827,878</u>	<u>\$ 743,726</u>	<u>\$ 8,398</u>	<u>\$ 34,155</u>	<u>\$ 5,409</u>	<u>\$ 40,889</u>	<u>\$ 4,090</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2008

	SPECIAL REVENUE						
	WIA SWA TANF Replacement (2770)	Crime Victims' Rights (2800)	Berry Junction Bike Trail (2825)	Juv. Account- ability Incentive Block Grant (2831)	Facility Master Plan (2840)	Revenue Sharing Reserve (2850)	EDC Loan Revolving (2860)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,111,235	\$ 57,377
Investments	-	-	-	-	-	2,773,218	143,192
Receivables							
Accounts	-	-	612	-	-	-	66,514
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	216,846	46,846	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-	560
Due from other funds	-	-	-	-	-	4,000,000	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-	-
	<u>\$ 216,846</u>	<u>\$ 46,846</u>	<u>\$ 612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,884,453</u>	<u>\$ 267,643</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 172,486	\$ 2,475	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	9,914	-	-	-	-	-
Due to other funds	44,360	30,507	612	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>216,846</u>	<u>42,896</u>	<u>612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	3,950	-	-	-	-	267,643
Undesignated	-	-	-	-	-	7,884,453	-
	<u>-</u>	<u>3,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,884,453</u>	<u>267,643</u>
	<u>\$ 216,846</u>	<u>\$ 46,846</u>	<u>\$ 612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,884,453</u>	<u>\$ 267,643</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2008

**SPECIAL REVENUE**

	Ram busch-Fuchs CDBG Grant (2873)	Downtown Redevelopment Project (2876)	Digital Divide Investment Program (2881)	Remonumen- tation Program (2890)	Brookhaven (2900)	Social Welfare (2910)	Child Care Facility (2920)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,015	\$ -	\$ -	\$ -	\$ -	\$ 5,203	\$ -
Investments	2,534	-	-	-	-	12,986	-
Receivables							
Accounts	-	-	-	-	2,028,341	25,431	14,754
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	282,877	827	-	100,700	105,108	900,291
Accrued Interest	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	27,571	-	-
Long-term Note receivable	-	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	84,371	-	-
	<u>\$ 3,549</u>	<u>\$ 282,877</u>	<u>\$ 827</u>	<u>\$ -</u>	<u>\$ 2,240,983</u>	<u>\$ 148,728</u>	<u>\$ 915,045</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ 282,877	\$ -	\$ -	\$ 285,511	\$ 12,728	\$ 322,432
Intergovernmental payable	-	-	-	-	-	136,000	-
Accrued liabilities	-	-	-	-	607,925	-	113,318
Due to other funds	-	-	827	-	1,347,547	-	479,295
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>-</u>	<u>282,877</u>	<u>827</u>	<u>-</u>	<u>2,240,983</u>	<u>148,728</u>	<u>915,045</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	3,549	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>3,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,549</u>	<u>\$ 282,877</u>	<u>\$ 827</u>	<u>\$ -</u>	<u>\$ 2,240,983</u>	<u>\$ 148,728</u>	<u>\$ 915,045</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2008

	SPECIAL REVENUE				DEBT SERVICE		
	Veteran's Trust (2940)	C.E.D.C (2960)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	Halmond Center Debt (3142)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 3,424	\$ 15,016	\$ 561,120	\$ 29,548	\$ 2,382
Investments	-	-	8,544	37,473	1,400,340	73,742	5,946
Receivables							
Accounts	3,418	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	19,981	-	-	-	-	-	-
Accrued Interest	-	-	-	145	7,614	-	19
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-	-
	<u>\$ 23,399</u>	<u>\$ -</u>	<u>\$ 11,968</u>	<u>\$ 52,634</u>	<u>\$ 1,969,074</u>	<u>\$ 103,290</u>	<u>\$ 8,347</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 2,551	\$ -	\$ 7,282	\$ 96	\$ 300	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	2,553	-	39,870	103,290	7,291
Due to other funds	20,848	-	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>23,399</u>	<u>-</u>	<u>9,835</u>	<u>96</u>	<u>40,170</u>	<u>103,290</u>	<u>7,291</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	2,133	52,538	1,928,904	-	1,056
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>2,133</u>	<u>52,538</u>	<u>1,928,904</u>	<u>-</u>	<u>1,056</u>
	<u>\$ 23,399</u>	<u>\$ -</u>	<u>\$ 11,968</u>	<u>\$ 52,634</u>	<u>\$ 1,969,074</u>	<u>\$ 103,290</u>	<u>\$ 8,347</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2008

**CAPITAL PROJECTS**

	<b>CMH Apple Building (4140)</b>	<b>Fruitport/NS Sewer Project (4618)</b>	<b>Laketon Township Sewer (4634)</b>	<b>Muskegon/ Egelston/Dalton Sewer (4641)</b>	<b>Whitehall Township Water (4645)</b>	<b>Public Improvement (4930)</b>	<b>Capital Improvement (4960)</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 18,102	\$ -	\$ 1,621,874	\$ 53,386	\$ -	\$ 1,570,588	\$ 10,764
Investments	45,174	-	4,047,575	133,230	-	3,919,586	26,864
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Accrued Interest	-	-	4,270	784	31	14,692	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	750,000	300,000
Inventory of Supplies	-	-	-	-	-	-	-
	<u>\$ 63,276</u>	<u>\$ -</u>	<u>\$ 5,673,719</u>	<u>\$ 187,400</u>	<u>\$ 31</u>	<u>\$ 6,254,866</u>	<u>\$ 337,628</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 63,276	\$ -	\$ 589,892	\$ -	\$ -	\$ 105,756	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	23,777	-	-	-	-
Due to other funds	-	-	-	-	31	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>63,276</u>	<u>-</u>	<u>613,669</u>	<u>-</u>	<u>31</u>	<u>105,756</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	750,000	300,000
Unreserved							
Designated for programs	-	-	5,060,050	187,400	-	5,399,110	37,628
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5,060,050</u>	<u>187,400</u>	<u>-</u>	<u>6,149,110</u>	<u>337,628</u>
	<u>\$ 63,276</u>	<u>\$ -</u>	<u>\$ 5,673,719</u>	<u>\$ 187,400</u>	<u>\$ 31</u>	<u>\$ 6,254,866</u>	<u>\$ 337,628</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2008

	CAPITAL PROJECT S		PERMANENT FUNDS		Total All Funds
	Drain Revolving (6010)	Drain Projects (8010)	Cem etery Trust (1500)	Medical Care Facility Endow ment (1550)	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,701	\$ 122,796	\$ 10,374	\$ 4,005	\$ 6,357,884
Investments	4,244	306,452	25,890	9,995	15,866,840
Receivables					
Accounts	-	-	-	-	2,430,707
Assessments receivable-deferred	15,555	-	-	-	15,555
Intergovernmental	-	-	-	-	9,362,481
Accrued Interest	-	1,072	-	39	32,394
Due from other funds	-	-	-	-	4,000,000
Prepaid Items	-	-	-	-	60,628
Long-term Note receivable	-	-	-	-	1,050,000
Inventory of Supplies	-	-	-	-	84,371
	<u>\$ 21,500</u>	<u>\$ 430,320</u>	<u>\$ 36,264</u>	<u>\$ 14,039</u>	<u>\$ 39,260,860</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 4,190,572
Intergovernmental payable	-	-	-	-	182,576
Accrued liabilities	-	1,704	-	-	1,570,220
Due to other funds	-	-	-	-	7,257,679
Long-term advance from other funds	21,500	-	-	-	21,500
Deferred revenue	-	-	-	-	26,286
	<u>21,500</u>	<u>1,704</u>	<u>-</u>	<u>-</u>	<u>13,248,833</u>
Fund balance (deficit)					
Reserved for long-term note receivable	-	-	-	-	1,050,000
Unreserved					
Designated for programs	-	428,616	36,264	14,039	14,777,574
Undesignated	-	-	-	-	10,184,453
	<u>-</u>	<u>428,616</u>	<u>36,264</u>	<u>14,039</u>	<u>26,012,027</u>
	<u>\$ 21,500</u>	<u>\$ 430,320</u>	<u>\$ 36,264</u>	<u>\$ 14,039</u>	<u>\$ 39,260,860</u>

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2008

	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>Revenues</b>							
Grants							
State	\$ 64,848	\$ 46,929	\$ -	\$ 112,427	\$ 195,570	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	123,859	-	40,752	17,723	56,609	-	-
Local Units	-	-	-	-	-	102,418	-
Charges for services rendered	-	69,546	-	-	-	-	645,349
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment Income	-	-	221	-	-	-	2,110
Rentals	-	-	-	-	-	-	-
Other	-	-	33,976	193	-	-	291
	<u>188,707</u>	<u>116,475</u>	<u>74,949</u>	<u>130,343</u>	<u>252,179</u>	<u>102,418</u>	<u>647,750</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	115,177	-	-	-	-	-
General County Government	299,668	-	-	-	-	-	-
Public Safety	-	-	292,599	178,092	259,784	209,686	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	608,451
Other	-	-	-	-	-	-	-
Capital Outlay	-	-	-	25,348	-	-	1,249
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>299,668</u>	<u>115,177</u>	<u>292,599</u>	<u>203,440</u>	<u>259,784</u>	<u>209,686</u>	<u>609,700</u>
Revenues over (under) expenditures	(110,961)	1,298	(217,650)	(73,097)	(7,605)	(107,268)	38,050
<b>Other financing sources (uses)</b>							
Transfers in	110,961	-	219,163	70,912	7,605	107,268	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	1,225	-	-	1,181
Transfers (out)	-	-	-	-	-	-	(67,204)
Total other financing sources (uses)	<u>110,961</u>	<u>-</u>	<u>219,163</u>	<u>72,137</u>	<u>7,605</u>	<u>107,268</u>	<u>(66,023)</u>
Net change in fund balances	-	1,298	1,513	(960)	-	-	(27,973)
Fund balance at beginning of year	-	-	21,082	18,683	-	-	160,950
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,298</u>	<u>\$ 22,595</u>	<u>\$ 17,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,977</u>

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2008

	SPECIAL REVENUE						Budget Stabilization (2570)
	Prosecutor Family Court (2140)	Family Court (2150)	Health Department (2210)	Accommodations Tax (2300)	CDBG Housing Grant (2470)	Deed Automation Fund (2560)	
<b>Revenues</b>							
Grants							
State	\$ 44,617	\$ 85,982	\$ 1,110,232	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	1,374,901	3,355,421	-	15,512	-	-
Local Units	-	-	24,800	-	-	-	-
Charges for services rendered	-	306,370	1,970,534	-	-	177,571	-
Taxes	-	-	318,663	829,905	-	-	-
Contributions from private sources	-	-	6,953	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment Income	-	-	669	294	2,519	26,389	-
Rentals	-	-	-	-	-	-	-
Other	-	42,309	347,010	-	228,194	-	-
	<u>44,617</u>	<u>2,583,403</u>	<u>7,134,282</u>	<u>830,199</u>	<u>246,225</u>	<u>203,960</u>	<u>-</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	1,141,913	-	-	-	-	-
General County government	177,760	3,387,026	-	708,436	-	16,200	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	9,013,897	-	-	-	-
Welfare	-	-	-	-	246,225	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>177,760</u>	<u>4,528,939</u>	<u>9,013,897</u>	<u>708,436</u>	<u>246,225</u>	<u>16,200</u>	<u>-</u>
Revenues over (under) expenditures	(133,143)	(1,945,536)	(1,879,615)	121,763	-	187,760	-
<b>Other financing sources (uses)</b>							
Transfers in	133,143	1,945,536	1,918,815	-	-	-	100,000
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(130,629)	-	-	-
Total other financing sources (uses)	<u>133,143</u>	<u>1,945,536</u>	<u>1,918,815</u>	<u>(130,629)</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Net change in fund balances	-	-	39,200	(8,866)	-	187,760	100,000
Fund balance at beginning of year	-	-	112,613	84,490	-	696,310	2,200,000
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,813</u>	<u>\$ 75,624</u>	<u>\$ -</u>	<u>\$ 884,070</u>	<u>\$ 2,300,000</u>

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2008

	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>							
Grants							
State	\$ -	\$ 132,439	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	75,656	-	-	-	-
Federal pass-thru	-	-	-	-	-	543,590	374,196
Local Units	-	-	-	-	-	-	-
Charges for services rendered	479	14,844	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeitures	6,500	-	-	3,104	-	-	-
Investment Income	-	-	-	1,939	256	45	-
Rentals	-	-	-	-	-	-	-
Other	-	36,820	-	174	-	-	-
	<u>6,979</u>	<u>184,103</u>	<u>75,656</u>	<u>5,217</u>	<u>256</u>	<u>543,635</u>	<u>374,196</u>
<b>Expenditures</b>							
Current Operations							
Judicial	39,577	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	583,087	97,320	11,084	8,886	-	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	543,635	374,196
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	5,321	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>39,577</u>	<u>583,087</u>	<u>97,320</u>	<u>11,084</u>	<u>14,207</u>	<u>543,635</u>	<u>374,196</u>
Revenues over (under) expenditures	(32,598)	(398,984)	(21,664)	(5,867)	(13,951)	-	-
<b>Other financing sources (uses)</b>							
Transfers in	32,598	398,984	21,664	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>32,598</u>	<u>398,984</u>	<u>21,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	(5,867)	(13,951)	-	-
Fund balance at beginning of year	-	-	-	60,892	27,520	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,025</u>	<u>\$ 13,569</u>	<u>\$ -</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2008

	SPECIAL REVENUE						
	TAA/NAFTA (2733)	Michigan Prisoner Re-entry (2734)	Work Incentive Grant (2735)	Workfirst (2751)	Food Stamp Program (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)
<b>Revenues</b>							
Grants							
State	\$ -	\$ 1,241,217	\$ -	\$ 1,104,437	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	1,205,385	-	5,916	3,219,450	2,450	359,410	1,293,374
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment Income	-	-	-	5,293	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>1,205,385</u>	<u>1,241,217</u>	<u>5,916</u>	<u>4,329,180</u>	<u>2,450</u>	<u>359,410</u>	<u>1,293,374</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	1,205,385	1,241,217	5,916	4,329,180	2,450	354,460	1,293,374
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	4,950	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>1,205,385</u>	<u>1,241,217</u>	<u>5,916</u>	<u>4,329,180</u>	<u>2,450</u>	<u>359,410</u>	<u>1,293,374</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)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2008

	SPECIAL REVENUE						
	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)	WIA-SWA No Worker Left Behind (2764)	Strategic Planning (2765)	WIA Youth Statewide (2766)	WIA Service Center Operations (2767)	Incumbent Worker Statewide (2768)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	866,969	1,208,174	79,663	-	6,638	82,729	4,090
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment Income	-	-	-	1,242	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>866,969</u>	<u>1,208,174</u>	<u>79,663</u>	<u>1,242</u>	<u>6,638</u>	<u>82,729</u>	<u>4,090</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	866,969	1,208,174	79,663	1,242	6,638	82,729	4,090
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>866,969</u>	<u>1,208,174</u>	<u>79,663</u>	<u>1,242</u>	<u>6,638</u>	<u>82,729</u>	<u>4,090</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)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2008

	SPECIAL REVENUE						
	WIA SWA TANF Replacement (2770)	Crime Victims' Rights (2800)	Berry Junction Bike Trail (2825)	Juv. Account- ability Incentive Block Grant (2831)	Facility Master Plan (2840)	Revenue Sharing Reserve (2850)	EDC Loan Revolving (2860)
<b>Revenues</b>							
Grants							
State	\$ -	\$ 135,100	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	352,039	65,090	-	6,680	-	-	-
Local Units	-	5,000	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	305	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	8,733
Rentals	-	-	-	-	-	-	-
Other	-	-	612	-	-	-	-
	<u>352,039</u>	<u>205,495</u>	<u>612</u>	<u>6,680</u>	<u>-</u>	<u>-</u>	<u>8,733</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	26,697	-	-	-
General County government	-	-	612	-	32,100	-	36,097
Public Safety	-	218,809	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	352,039	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>352,039</u>	<u>218,809</u>	<u>612</u>	<u>26,697</u>	<u>32,100</u>	<u>-</u>	<u>36,097</u>
Revenues over (under) expenditures	-	(13,314)	-	(20,017)	(32,100)	-	(27,364)
<b>Other financing sources (uses)</b>							
Transfers in	-	16,365	-	20,017	32,100	-	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(3,156,503)	-
Total other financing sources (uses)	<u>-</u>	<u>16,365</u>	<u>-</u>	<u>20,017</u>	<u>32,100</u>	<u>(3,156,503)</u>	<u>-</u>
Net change in fund balances	-	3,051	-	-	-	(3,156,503)	(27,364)
Fund balance at beginning of year	-	899	-	-	-	11,040,956	295,007
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,884,453</u>	<u>\$ 267,643</u>

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2008

	SPECIAL REVENUE						
	Ram busch-Fuchs CDBG Grant (2873)	Downtown Redevelopment Project (2876)	Digital Divide Investment Program (2881)	Remonumen- tation Program (2890)	Brookhaven (2900)	Social Welfare (2910)	Child Care Facility (2920)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ 115,245	\$ -	\$ 1,029,976	\$ 2,915,983
Federal	-	-	-	-	-	-	28,819
Federal pass-thru	-	-	720,753	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	13,162,123	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	47	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment Income	-	-	-	-	52	-	-
Rentals	-	-	-	-	17,084	-	-
Other	-	-	-	-	1,776,790	42,717	235,188
	<u>-</u>	<u>-</u>	<u>720,753</u>	<u>115,245</u>	<u>14,956,096</u>	<u>1,072,693</u>	<u>3,179,990</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	720,753	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	15,079,796	1,083,934	6,674,566
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	125,165	-	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>720,753</u>	<u>125,165</u>	<u>15,079,796</u>	<u>1,083,934</u>	<u>6,674,566</u>
Revenues over (under) expenditures	-	-	-	(9,920)	(123,700)	(11,241)	(3,494,576)
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	9,920	123,700	11,241	3,494,576
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,920</u>	<u>123,700</u>	<u>11,241</u>	<u>3,494,576</u>
<b>Net change in fund balances</b>	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	<u>3,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 3,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2008

	SPECIAL REVENUE				DEBT SERVICE		
	Veteran's Trust (2940)	C.E.D.C (2960)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	Halmond Center Debt (3142)
<b>Revenues</b>							
Grants							
State	\$ 26,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	4,398	-	-	-
Taxes	-	-	-	-	1,522,757	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment Income	-	-	-	1,769	81,780	-	1,024
Rentals	-	-	242,561	-	-	-	198,526
Other	-	-	-	-	-	-	-
	<u>26,873</u>	<u>-</u>	<u>242,561</u>	<u>6,167</u>	<u>1,604,537</u>	<u>-</u>	<u>199,550</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	3,262	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	241,206	-	-	-	140
Welfare	26,873	-	-	-	-	-	-
Culture	-	-	-	-	140	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service							
Principal	-	-	-	-	925,000	240,000	175,000
Interest	-	-	-	-	513,418	253,847	22,604
Other	-	-	-	-	600	250	750
	<u>26,873</u>	<u>-</u>	<u>241,206</u>	<u>3,262</u>	<u>1,439,158</u>	<u>494,097</u>	<u>198,494</u>
Revenues over (under) expenditures	-	-	1,355	2,905	165,379	(494,097)	1,056
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	494,097	-
Bond Issuance	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>494,097</u>	<u>-</u>
Net change in fund balances	-	-	1,355	2,905	165,379	-	1,056
Fund balance at beginning of year	-	-	778	49,633	1,763,525	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,133</u>	<u>\$ 52,538</u>	<u>\$ 1,928,904</u>	<u>\$ -</u>	<u>\$ 1,056</u>

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2008

	CAPITAL PROJECTS						
	CMH Apple Building (4140)	Fruitport/NS Sewer Project (4618)	Laketon Township Sewer (4634)	Muskegon/ Egelston/Dalton Sewer (4641)	Whitehall Township Water (4645)	Public Improvement (4930)	Capital Improvement (4960)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	-	867,393	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment Income	-	-	8,454	15,954	1,683	185,391	-
Rentals	-	-	-	-	-	12,500	-
Other	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>8,454</u>	<u>883,347</u>	<u>1,683</u>	<u>197,891</u>	<u>-</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	285,871	-	865,296	1,616,086	103,932	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	583,632	187
Capital Outlay	-	-	-	-	-	1,305,204	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	83,108	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>285,871</u>	<u>-</u>	<u>948,404</u>	<u>1,616,086</u>	<u>103,932</u>	<u>1,888,836</u>	<u>187</u>
Revenues over (under) expenditures	(285,871)	-	(939,950)	(732,739)	(102,249)	(1,690,945)	(187)
<b>Other financing sources (uses)</b>							
Transfers in	285,871	-	-	-	-	922,500	-
Bond Issuance	-	-	6,000,000	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(540,559)	-
Total other financing sources (uses)	<u>285,871</u>	<u>-</u>	<u>6,000,000</u>	<u>-</u>	<u>-</u>	<u>381,941</u>	<u>-</u>
Net change in fund balances	-	-	5,060,050	(732,739)	(102,249)	(1,309,004)	(187)
Fund balance at beginning of year	-	-	-	920,139	102,249	7,458,114	337,815
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,060,050</u>	<u>\$ 187,400</u>	<u>\$ -</u>	<u>\$ 6,149,110</u>	<u>\$ 337,628</u>

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2008

	CAPITAL PROJECTS		PERMANENT FUNDS		Total All Funds
	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	
<b>Revenues</b>					
Grants					
State	\$ -	\$ -	\$ -	\$ -	\$ 9,135,716
Federal	-	-	-	-	104,475
Federal pass-thru	-	-	-	-	15,381,373
Local Units	-	-	-	-	999,611
Charges for services rendered	-	28,789	-	-	16,380,003
Taxes	-	-	-	-	2,671,325
Contributions from private sources	-	-	-	-	7,305
Fines and forfeitures	-	-	-	-	9,604
Investment Income	-	13,044	1,590	514	360,965
Rentals	-	-	-	2,649	473,320
Other	-	-	-	-	2,744,273
	<u>-</u>	<u>41,833</u>	<u>1,590</u>	<u>3,163</u>	<u>48,267,970</u>
<b>Expenditures</b>					
Current Operations					
Judicial	-	-	-	-	1,323,364
General County government	-	-	483	5,112	5,387,509
Public Safety	-	-	-	-	1,859,347
Health	-	-	-	-	34,964,724
Welfare	-	-	-	-	12,224,455
Culture	-	-	-	-	125,305
Recreation	-	-	-	-	608,451
Other	-	50,167	-	-	633,986
Capital Outlay	-	-	-	-	1,342,072
Debt Service					
Principal	-	-	-	-	1,340,000
Interest	-	-	-	-	872,977
Other	-	-	-	-	1,600
	<u>-</u>	<u>50,167</u>	<u>483</u>	<u>5,112</u>	<u>60,683,790</u>
Revenues over (under) expenditures	-	(8,334)	1,107	(1,949)	(12,415,820)
<b>Other financing sources (uses)</b>					
Transfers in	-	44,091	-	-	10,521,128
Bond Issuance	-	-	-	-	6,000,000
Sale of Assets	-	-	-	-	2,406
Transfers (out)	-	-	-	-	(3,894,895)
Total other financing sources (uses)	<u>-</u>	<u>44,091</u>	<u>-</u>	<u>-</u>	<u>12,628,639</u>
Net change in fund balances	-	35,757	1,107	(1,949)	212,819
Fund balance at beginning of year	-	392,859	35,157	15,988	25,799,208
Fund balance at end of year	<u>\$ -</u>	<u>\$ 428,616</u>	<u>\$ 36,264</u>	<u>\$ 14,039</u>	<u>\$ 26,012,027</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, 2008**

	Coope rative R eimburse ment Pro secutor (1150)			Sobri ety Cour t (1170)			Em ergen cy S ervices (1190)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 75,619	\$ 64,848	(\$ 10,771)	\$ 50,000	\$ 46,929	(\$ 3,071)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	123,859	123,859	-	-	-	-	28,900	40,752	11,852
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	66,500	69,546	3,046	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	221	221
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	15,500	33,976	18,476
	<u>199,478</u>	<u>188,707</u>	<u>(10,771)</u>	<u>116,500</u>	<u>116,475</u>	<u>(25)</u>	<u>44,400</u>	<u>74,949</u>	<u>30,549</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	116,500	115,177	1,323	-	-	-
General County government	302,240	299,668	2,572	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	322,783	292,599	30,184
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	-	-	-	-	-	-	2,124	-	2,124
	<u>302,240</u>	<u>299,668</u>	<u>2,572</u>	<u>116,500</u>	<u>115,177</u>	<u>1,323</u>	<u>324,907</u>	<u>292,599</u>	<u>32,308</u>
<b>Revenues over (under) expenditures</b>	<b>(102,762)</b>	<b>(110,961)</b>	<b>(8,199)</b>	<b>-</b>	<b>1,298</b>	<b>1,298</b>	<b>(280,507)</b>	<b>(217,650)</b>	<b>62,857</b>
<b>Other financing sources (uses)</b>									
Transfers in	102,762	110,961	8,199	-	-	-	280,507	219,163	(61,344)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>102,762</b>	<b>110,961</b>	<b>8,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>280,507</b>	<b>219,163</b>	<b>(61,344)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,298</b>	<b>1,298</b>	<b>-</b>	<b>1,513</b>	<b>1,513</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>\$ 1,298</b>	<b>\$ 1,298</b>	<b>\$ 21,082</b>	<b>\$ 22,595</b>	<b>\$ 1,513</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, 2008**

	Marine Safety (1200)			Highway Safety Programs (1210)			Township Patrols (1240)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 115,735	\$ 112,427	(\$ 3,308)	\$ 195,570	\$ 195,570	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	17,949	17,723	(226)	85,557	56,609	(28,948)	-	-	-
Local units	-	-	-	-	-	-	101,271	102,418	1,147
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	400	193	(207)	-	-	-	-	-	-
	<u>134,084</u>	<u>130,343</u>	<u>(3,741)</u>	<u>281,127</u>	<u>252,179</u>	<u>(28,948)</u>	<u>101,271</u>	<u>102,418</u>	<u>1,147</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	190,935	178,092	12,843	284,481	259,784	24,697	202,543	209,686	(7,143)
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>	25,349	25,348	1	-	-	-	-	-	-
	<u>216,284</u>	<u>203,440</u>	<u>12,844</u>	<u>284,481</u>	<u>259,784</u>	<u>24,697</u>	<u>202,543</u>	<u>209,686</u>	<u>(7,143)</u>
<b>Revenues over (under) expenditures</b>	<b>(82,200)</b>	<b>(73,097)</b>	<b>9,103</b>	<b>(3,354)</b>	<b>(7,605)</b>	<b>(4,251)</b>	<b>(101,272)</b>	<b>(107,268)</b>	<b>(5,996)</b>
<b>Other financing sources (uses)</b>									
Transfers in	75,753	70,912	(4,841)	3,354	7,605	4,251	101,272	107,268	5,996
Sale of Assets	1,000	1,225	225	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>76,753</b>	<b>72,137</b>	<b>(4,616)</b>	<b>3,354</b>	<b>7,605</b>	<b>4,251</b>	<b>101,272</b>	<b>107,268</b>	<b>5,996</b>
<b>Net change in fund balances</b>	<b>(5,447)</b>	<b>(960)</b>	<b>4,487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>18,683</b>	<b>18,683</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 13,236</b>	<b>\$ 17,723</b>	<b>\$ 4,487</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</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, 2008**

	Park Fund (2080)			Prosecutor Family Court (2140)			Family Court (2150)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ 37,137	\$ 44,617	\$ 7,480	\$ 963,305	\$ 859,823	(\$ 103,482)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	1,366,376	1,374,901	8,525
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	658,500	645,349	(13,151)	-	-	-	297,200	306,370	9,170
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	1,548	2,110	562	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	750	291	(459)	-	-	-	66,000	42,309	(23,691)
	<u>660,798</u>	<u>647,750</u>	<u>(13,048)</u>	<u>37,137</u>	<u>44,617</u>	<u>7,480</u>	<u>2,692,881</u>	<u>2,583,403</u>	<u>(109,478)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	1,169,539	1,141,913	27,626
General County government	-	-	-	185,687	177,760	7,927	3,461,252	3,387,026	74,226
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	620,757	608,451	12,306	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>	2,000	1,249	751	-	-	-	-	-	-
	<u>622,757</u>	<u>609,700</u>	<u>13,057</u>	<u>185,687</u>	<u>177,760</u>	<u>7,927</u>	<u>4,630,791</u>	<u>4,528,939</u>	<u>101,852</u>
<b>Revenues over (under) expenditures</b>	<b>38,041</b>	<b>38,050</b>	<b>9</b>	<b>(148,550)</b>	<b>(133,143)</b>	<b>15,407</b>	<b>(1,937,910)</b>	<b>(1,945,536)</b>	<b>(7,626)</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	148,550	133,143	(15,407)	1,937,910	1,945,536	7,626
Sale of Assets	(70)	1,181	1,251	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	(72,984)	(67,204)	5,780	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(73,054)</b>	<b>(66,023)</b>	<b>7,031</b>	<b>148,550</b>	<b>133,143</b>	<b>(15,407)</b>	<b>1,937,910</b>	<b>1,945,536</b>	<b>7,626</b>
<b>Net change in fund balances</b>	<b>(35,013)</b>	<b>(27,973)</b>	<b>7,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>160,950</b>	<b>160,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 125,937</b>	<b>\$ 132,977</b>	<b>\$ 7,040</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</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, 2008**

	Health Department (2210)			Accommodations Tax (2300)			CDBG Housing Grant (2470)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 1,110,232	\$ 1,110,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	1,978,196	3,355,421	1,377,225	-	-	-	-	15,512	15,512
Local units	24,800	24,800	-	-	-	-	-	-	-
Charges for services rendered	2,243,701	1,970,534	(273,167)	-	-	-	-	-	-
Contributions from private sources	4,000	6,953	2,953	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	669	669	300	294	(6)	-	2,519	2,519
Taxes	278,390	318,663	40,273	845,000	829,905	(15,095)	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	323,701	347,010	23,309	-	-	-	-	228,194	228,194
	<u>5,963,020</u>	<u>7,134,282</u>	<u>1,171,262</u>	<u>845,300</u>	<u>830,199</u>	<u>(15,101)</u>	<u>-</u>	<u>246,225</u>	<u>246,225</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	742,552	708,436	34,116	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	7,753,240	9,013,897	(1,260,657)	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	246,225	(246,225)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>7,753,240</u>	<u>9,013,897</u>	<u>(1,260,657)</u>	<u>742,552</u>	<u>708,436</u>	<u>34,116</u>	<u>-</u>	<u>246,225</u>	<u>(246,225)</u>
<b>Revenues over (under) expenditures</b>	<b>(1,790,220)</b>	<b>(1,879,615)</b>	<b>(89,395)</b>	<b>102,748</b>	<b>121,763</b>	<b>19,015</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	1,790,220	1,918,815	128,595	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(130,629)	(130,629)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,790,220</b>	<b>1,918,815</b>	<b>128,595</b>	<b>(130,629)</b>	<b>(130,629)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>39,200</b>	<b>39,200</b>	<b>(27,881)</b>	<b>(8,866)</b>	<b>19,015</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>112,613</b>	<b>112,613</b>	<b>-</b>	<b>84,490</b>	<b>84,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 112,613</b>	<b>\$ 151,813</b>	<b>\$ 39,200</b>	<b>\$ 56,609</b>	<b>\$ 75,624</b>	<b>\$ 19,015</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, 2008**

	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	180,000	177,571	(2,429)	-	-	-	400	479	79
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	6,500	6,500	-
Investment income	25,000	26,389	1,389	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>205,000</u>	<u>203,960</u>	<u>(1,040)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,900</u>	<u>6,979</u>	<u>79</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	35,658	39,577	(3,919)
General County government	170,278	16,200	154,078	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	57,056	-	57,056	-	-	-	-	-	-
	<u>227,334</u>	<u>16,200</u>	<u>211,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,658</u>	<u>39,577</u>	<u>(3,919)</u>
Revenues over (under) expenditures	(22,334)	187,760	210,094	-	-	-	(28,758)	(32,598)	(3,840)
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	100,000	100,000	28,758	32,598	3,840
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>28,758</u>	<u>32,598</u>	<u>3,840</u>
Net change in fund balances	(22,334)	187,760	210,094	-	100,000	100,000	-	-	-
Fund balance at beginning of year	696,310	696,310	-	2,200,000	2,200,000	-	-	-	-
Fund balance at end of year	<u>\$ 673,976</u>	<u>\$ 884,070</u>	<u>\$ 210,094</u>	<u>\$ 2,200,000</u>	<u>\$ 2,300,000</u>	<u>\$ 100,000</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, 2008**

	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	\$ 942,234	\$ 132,439	(\$ 809,795)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	75,564	75,656	92	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	85,000	14,844	(70,156)	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	100	-	(100)
Fines and forfeitures	-	-	-	-	-	-	-	3,104	3,104
Investment income	-	-	-	-	-	-	2,000	1,939	(61)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	37,640	36,820	(820)	-	-	-	60	174	114
	<u>1,064,874</u>	<u>184,103</u>	<u>(880,771)</u>	<u>75,564</u>	<u>75,656</u>	<u>92</u>	<u>2,160</u>	<u>5,217</u>	<u>3,057</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	1,429,770	583,087	846,683	96,966	97,320	(354)	10,166	11,084	(918)
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>1,429,770</u>	<u>583,087</u>	<u>846,683</u>	<u>96,966</u>	<u>97,320</u>	<u>(354)</u>	<u>12,166</u>	<u>11,084</u>	<u>1,082</u>
<b>Revenues over (under) expenditures</b>	<b>(364,896)</b>	<b>(398,984)</b>	<b>(34,088)</b>	<b>(21,402)</b>	<b>(21,664)</b>	<b>(262)</b>	<b>(10,006)</b>	<b>(5,867)</b>	<b>4,139</b>
<b>Other financing sources (uses)</b>									
Transfers in	364,896	398,984	34,088	21,402	21,664	262	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>364,896</u>	<u>398,984</u>	<u>34,088</u>	<u>21,402</u>	<u>21,664</u>	<u>262</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,006)</b>	<b>(5,867)</b>	<b>4,139</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,892</b>	<b>60,892</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,886</b>	<b>\$ 55,025</b>	<b>\$ 4,139</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, 2008**

	Prosecutor Drug (2672)			WIRED (2730)			Wagner Peyster (2731)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	546,174	543,590	(2,584)	381,107	374,196	(6,911)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	256	256	-	-	45	45	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>256</u>	<u>256</u>	<u>-</u>	<u>546,174</u>	<u>543,635</u>	<u>(2,539)</u>	<u>381,107</u>	<u>374,196</u>	<u>(6,911)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	13,126	8,886	4,240	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	546,174	543,635	2,539	381,107	374,196	6,911
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	14,650	5,321	9,329	-	-	-	-	-	-
	<u>27,776</u>	<u>14,207</u>	<u>13,569</u>	<u>546,174</u>	<u>543,635</u>	<u>2,539</u>	<u>381,107</u>	<u>374,196</u>	<u>6,911</u>
Revenues over (under) expenditures	(27,520)	(13,951)	13,569	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(27,520)	(13,951)	13,569	-	-	-	-	-	-
Fund balance at beginning of year	27,520	27,520	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 13,569</u>	<u>\$ 13,569</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, 2008**

	TAA/NAFTA (2733)			Michigan Prisoner Re-entry (2734)			Work Incentive Grant (2735)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ 904,717	\$ 1,241,217	\$ 336,500	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	1,583,926	1,205,385	(378,541)	-	-	-	20,524	5,916	(14,608)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,583,926</u>	<u>1,205,385</u>	<u>(378,541)</u>	<u>904,717</u>	<u>1,241,217</u>	<u>336,500</u>	<u>20,524</u>	<u>5,916</u>	<u>(14,608)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	1,583,926	1,205,385	378,541	904,717	1,241,217	(336,500)	20,524	5,916	14,608
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>1,583,926</u>	<u>1,205,385</u>	<u>378,541</u>	<u>904,717</u>	<u>1,241,217</u>	<u>(336,500)</u>	<u>20,524</u>	<u>5,916</u>	<u>14,608</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>	<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, 2008**

	Workfirst (2751)			Food Stamp Program (2759)			WIA Admin Pool (2760)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 1,104,437	\$ 1,104,437	\$ -	\$ 3,368	\$ -	(\$ 3,368)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	3,139,348	3,219,450	80,102	108,796	2,450	(106,346)	376,620	359,410	(17,210)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	5,293	5,293	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>4,249,078</u>	<u>4,329,180</u>	<u>80,102</u>	<u>112,164</u>	<u>2,450</u>	<u>(109,714)</u>	<u>376,620</u>	<u>359,410</u>	<u>(17,210)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	4,249,078	4,329,180	(80,102)	112,164	2,450	109,714	327,714	354,460	(26,746)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	48,906	4,950	43,956
	<u>4,249,078</u>	<u>4,329,180</u>	<u>(80,102)</u>	<u>112,164</u>	<u>2,450</u>	<u>109,714</u>	<u>376,620</u>	<u>359,410</u>	<u>17,210</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>	<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, 2008**

	WIA Adult Program (2761)			WIA Youth Programs (2762)			WIA Dislocated Wkr Program (2763)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	1,050,309	1,293,374	243,065	898,492	866,969	(31,523)	1,055,368	1,208,174	152,806
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,050,309</u>	<u>1,293,374</u>	<u>243,065</u>	<u>898,492</u>	<u>866,969</u>	<u>(31,523)</u>	<u>1,055,368</u>	<u>1,208,174</u>	<u>152,806</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	1,050,309	1,293,374	(243,065)	898,492	866,969	31,523	1,055,368	1,208,174	(152,806)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>1,050,309</u>	<u>1,293,374</u>	<u>(243,065)</u>	<u>898,492</u>	<u>866,969</u>	<u>31,523</u>	<u>1,055,368</u>	<u>1,208,174</u>	<u>(152,806)</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>	<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, 2008**

	WIA-SWA-No Worker Left Behind (2764)			Strategic Planning (2765)			WIA Youth Statewide (2766)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	85,478	79,663	(5,815)	-	-	-	7,145	6,638	(507)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	1,000	1,242	242	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>85,478</u>	<u>79,663</u>	<u>(5,815)</u>	<u>1,000</u>	<u>1,242</u>	<u>242</u>	<u>7,145</u>	<u>6,638</u>	<u>(507)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	85,478	79,663	5,815	1,000	1,242	(242)	7,145	6,638	507
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>85,478</u>	<u>79,663</u>	<u>5,815</u>	<u>1,000</u>	<u>1,242</u>	<u>(242)</u>	<u>7,145</u>	<u>6,638</u>	<u>507</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>	<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, 2008**

	WIA Service Center Operations (2767)			Incumbent Worker Statewide (2768)			WIA SWA TANF Replacement (2770)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	85,049	82,729	(2,320)	104,524	4,090	(100,434)	415,514	352,039	(63,475)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>85,049</u>	<u>82,729</u>	<u>(2,320)</u>	<u>104,524</u>	<u>4,090</u>	<u>(100,434)</u>	<u>415,514</u>	<u>352,039</u>	<u>(63,475)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	85,049	82,729	2,320	104,524	4,090	100,434	415,514	352,039	63,475
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>85,049</u>	<u>82,729</u>	<u>2,320</u>	<u>104,524</u>	<u>4,090</u>	<u>100,434</u>	<u>415,514</u>	<u>352,039</u>	<u>63,475</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
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>	<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, 2008**

	Crime Victim's 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>									
<b>Grants</b>									
State	\$ 135,100	\$ 135,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	65,090	65,090	-	-	-	-	6,680	6,680	-
Local units	5,000	5,000	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	600	305	(295)	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>205,790</u>	<u>205,495</u>	<u>(295)</u>	<u>2,291</u>	<u>612</u>	<u>(1,679)</u>	<u>6,680</u>	<u>6,680</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	26,696	26,697	(1)
General County government	-	-	-	2,291	612	1,679	-	-	-
Public safety	222,654	218,809	3,845	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>222,654</u>	<u>218,809</u>	<u>3,845</u>	<u>2,291</u>	<u>612</u>	<u>1,679</u>	<u>26,696</u>	<u>26,697</u>	<u>(1)</u>
Revenues over (under) expenditures	(16,864)	(13,314)	3,550	-	-	-	(20,016)	(20,017)	(1)
<b>Other financing sources (uses)</b>									
Transfers in	16,864	16,365	(499)	-	-	-	20,016	20,017	1
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>16,864</u>	<u>16,365</u>	<u>(499)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,016</u>	<u>20,017</u>	<u>1</u>
Net change in fund balances	-	3,051	3,051	-	-	-	-	-	-
Fund balance at beginning of year	899	899	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ 899</u>	<u>\$ 3,950</u>	<u>\$ 3,051</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, 2008**

	Facility Master Plan (2840)			Revenue Sharing Reserve (2850)			EDC Loan Revolving (2860)		
	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	-	-	-	-	-	-	10,000	8,733	(1,267)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>8,733</u>	<u>(1,267)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	32,100	32,100	-	-	-	-	36,095	36,097	(2)
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>32,100</u>	<u>32,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,095</u>	<u>36,097</u>	<u>(2)</u>
<b>Revenues over (under) expenditures</b>	<b>(32,100)</b>	<b>(32,100)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26,095)</b>	<b>(27,364)</b>	<b>(1,269)</b>
<b>Other financing sources (uses)</b>									
Transfers in	32,100	32,100	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(3,156,503)	(3,156,503)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>32,100</b>	<b>32,100</b>	<b>-</b>	<b>(3,156,503)</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>-</b>	<b>(3,156,503)</b>	<b>(3,156,503)</b>	<b>-</b>	<b>(26,095)</b>	<b>(27,364)</b>	<b>(1,269)</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,040,956</b>	<b>11,040,956</b>	<b>-</b>	<b>295,007</b>	<b>295,007</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,884,453</b>	<b>\$ 7,884,453</b>	<b>\$ -</b>	<b>\$ 268,912</b>	<b>\$ 267,643</b>	<b>(\$ 1,269)</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, 2008**

	Ram bus ch-Fuch s CDBG Grant (2873)			Dow ntow n Rede velopm ent Proj ect (2876)			Digital Divide Investment Program (2881)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	217,123	-	(217,123)	857,628	720,753	(136,875)
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>217,123</u>	<u>-</u>	<u>(217,123)</u>	<u>857,628</u>	<u>720,753</u>	<u>(136,875)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	857,628	720,753	136,875
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	217,123	-	217,123	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,123</u>	<u>-</u>	<u>217,123</u>	<u>857,628</u>	<u>720,753</u>	<u>136,875</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	3,549	3,549	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ 3,549</u>	<u>\$ 3,549</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, 2008**

	Remonumentation Program (2890)			Brookhaven (2900)			Social Welfare (2910)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 99,823	\$ 115,245	\$ 15,422	\$ -	\$ -	\$ -	\$ 1,060,000	\$ 1,029,976	(\$ 30,024)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	13,001,544	13,162,123	160,579	-	-	-
Contributions from private sources	-	-	-	26	47	21	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	100	52	(48)	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	16,000	17,084	1,084	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	1,804,173	1,776,790	(27,383)	40,000	42,717	2,717
	<u>99,823</u>	<u>115,245</u>	<u>15,422</u>	<u>14,821,843</u>	<u>14,956,096</u>	<u>134,253</u>	<u>1,100,000</u>	<u>1,072,693</u>	<u>(27,307)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	14,901,843	15,079,796	(177,953)	1,112,814	1,083,934	28,880
Welfare	-	-	-	-	-	-	-	-	-
Culture	107,823	125,165	(17,342)	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay									
	<u>107,823</u>	<u>125,165</u>	<u>(17,342)</u>	<u>14,901,843</u>	<u>15,079,796</u>	<u>(177,953)</u>	<u>1,112,814</u>	<u>1,083,934</u>	<u>28,880</u>
Revenues over (under) expenditures	(8,000)	(9,920)	(1,920)	(80,000)	(123,700)	(43,700)	(12,814)	(11,241)	1,573
<b>Other financing sources (uses)</b>									
Transfers in	8,000	9,920	1,920	80,000	123,700	43,700	12,814	11,241	(1,573)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>8,000</u>	<u>9,920</u>	<u>1,920</u>	<u>80,000</u>	<u>123,700</u>	<u>43,700</u>	<u>12,814</u>	<u>11,241</u>	<u>(1,573)</u>
Net change in fund balances	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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, 2008**

	Child Care Facility (2920)			Veterans Trust (2940)			C.E.D.C (2960)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 3,069,191	\$ 2,915,983	(\$ 153,208)	\$ 31,495	\$ 26,873	(\$ 4,622)	\$ -	\$ -	\$ -
Federal	32,593	28,819	(3,774)	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	226,796	235,188	8,392	-	-	-	-	-	-
	<u>3,328,580</u>	<u>3,179,990</u>	<u>(148,590)</u>	<u>31,495</u>	<u>26,873</u>	<u>(4,622)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	2,500	-	2,500
Public safety	-	-	-	-	-	-	-	-	-
Health	7,013,459	6,674,566	338,893	-	-	-	-	-	-
Welfare	-	-	-	31,495	26,873	4,622	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>7,013,459</u>	<u>6,674,566</u>	<u>338,893</u>	<u>31,495</u>	<u>26,873</u>	<u>4,622</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
<b>Revenues over (under) expenditures</b>	<b>(3,684,879)</b>	<b>(3,494,576)</b>	<b>190,303</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,500)</b>	<b>-</b>	<b>2,500</b>
<b>Other financing sources (uses)</b>									
Transfers in	3,684,879	3,494,576	(190,303)	-	-	-	2,500	-	(2,500)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u><b>3,684,879</b></u>	<u><b>3,494,576</b></u>	<u><b>(190,303)</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>2,500</b></u>	<u><b>-</b></u>	<u><b>(2,500)</b></u>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2008**

	Mental Health Buildings (2970)			Victim Restitution (2980)			Quality of Life (3111)		
	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	-	-	-	4,500	4,398	(102)	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	2,000	1,769	(231)	80,000	81,780	1,780
Taxes	-	-	-	-	-	-	1,531,893	1,522,757	(9,136)
Rentals	242,561	242,561	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>242,561</u>	<u>242,561</u>	<u>-</u>	<u>6,500</u>	<u>6,167</u>	<u>(333)</u>	<u>1,611,893</u>	<u>1,604,537</u>	<u>(7,356)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	3,000	3,262	(262)	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	240,175	241,206	(1,031)	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	140	140	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	925,000	925,000	-
Interest	-	-	-	-	-	-	513,418	513,418	-
Other	-	-	-	-	-	-	300	600	(300)
<b>Capital outlay</b>									
	<u>240,175</u>	<u>241,206</u>	<u>(1,031)</u>	<u>3,000</u>	<u>3,262</u>	<u>(262)</u>	<u>1,438,858</u>	<u>1,439,158</u>	<u>(300)</u>
<b>Revenues over (under) expenditures</b>	<b>2,386</b>	<b>1,355</b>	<b>(1,031)</b>	<b>3,500</b>	<b>2,905</b>	<b>(595)</b>	<b>173,035</b>	<b>165,379</b>	<b>(7,656)</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>2,386</b>	<b>1,355</b>	<b>(1,031)</b>	<b>3,500</b>	<b>2,905</b>	<b>(595)</b>	<b>173,035</b>	<b>165,379</b>	<b>(7,656)</b>
<b>Fund balance at beginning of year</b>	<b>778</b>	<b>778</b>	<b>-</b>	<b>49,633</b>	<b>49,633</b>	<b>-</b>	<b>1,763,525</b>	<b>1,763,525</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 3,164</b>	<b>\$ 2,133</b>	<b>(\$ 1,031)</b>	<b>\$ 53,133</b>	<b>\$ 52,538</b>	<b>(\$ 595)</b>	<b>\$ 1,936,560</b>	<b>\$ 1,928,904</b>	<b>(\$ 7,656)</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, 2008**

	Hall of Justice Debt (3130)			Halmond Center Debt (3142)		
	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	-	-	-	2,000	1,024	(976)
Taxes	-	-	-	-	-	-
Rentals	-	-	-	196,494	198,526	2,032
Special assessments	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,494</u>	<u>199,550</u>	<u>1,056</u>
<b>Expenditures</b>						
<b>Current operations</b>						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	140	140	-
Welfare	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Debt Service</b>						
Principal	240,000	240,000	-	175,000	175,000	-
Interest	253,846	253,847	(1)	22,604	22,604	-
Other	250	250	-	750	750	-
Capital outlay	-	-	-	-	-	-
	<u>494,096</u>	<u>494,097</u>	<u>(1)</u>	<u>198,494</u>	<u>198,494</u>	<u>-</u>
Revenues over (under) expenditures	(494,096)	(494,097)	(1)	-	1,056	1,056
<b>Other financing sources (uses)</b>						
Transfers in	494,096	494,097	1	-	-	-
Sale of Assets	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>494,096</u>	<u>494,097</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	1,056	1,056
Fund balance at beginning of year	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,056</u>	<u>\$ 1,056</u>

**County of Muskegon**

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

*Major Governmental Fund - Water and Sewer Debt Year Ended September 30, 2008*

	<b>Water and Sewer Debt - 3650</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Difference (+/-)</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Operating grants and contributions	-	-	-	-
Charges for services	29,664	31,622	-	(31,622)
Fines and forfeitures	-	-	-	-
Investment income	5,492	9,265	2,494	(6,771)
Rentals	-	-	-	-
Special assessments	1,781,591	1,726,591	430,000	(1,296,591)
Contributions from private sources	-	-	-	-
Other	754	6,000,951	-	(6,000,951)
<b>Total revenues</b>	<b>1,817,501</b>	<b>7,768,429</b>	<b>432,494</b>	<b>(7,335,935)</b>
<b>Expenditures</b>				
<b>Current operations</b>				
Legislative	-	-	-	-
Judicial	-	-	-	-
General County government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture	-	-	-	-
Recreation	-	-	-	-
Other	1,605	101,505	-	101,505
Capital outlay	-	-	-	-
<b>Debt service</b>				
Principal payments	430,000	375,000	375,000	-
Interest	1,351,591	1,351,951	925	1,351,026
Other	320	320	-	320
<b>Total expenditures</b>	<b>1,783,516</b>	<b>1,828,776</b>	<b>375,925</b>	<b>1,452,851</b>
<b>Revenues over (under) expenditures</b>	<b>33,985</b>	<b>5,939,653</b>	<b>56,569</b>	<b>(5,883,084)</b>
<b>Other financing sources (uses)</b>				
Sales of Capital Assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Net change in fund balances</b>	<b>33,985</b>	<b>5,939,653</b>	<b>56,569</b>	<b>(5,883,084)</b>
<b>Fund balance at beginning of year</b>	<b>37,473</b>	<b>37,473</b>	<b>37,473</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 71,458</b>	<b>\$ 5,977,126</b>	<b>\$ 94,042</b>	<b>(\$ 5,883,084)</b>

## 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, 5110,5165,5166)--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.

*County of Muskegon*

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

*September 30, 2008*

ASSETS	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2005 Delinquent Tax Revolving (5165)	2006 Delinquent Tax Revolving (5166)
<b>CURRENT ASSETS</b>					
Cash and cash investments	\$ 494,018	\$ 116,113	\$ 121,074	\$ -	\$ 1,067,878
Investments	682,216	7,060	167,198	-	1,474,689
Accounts receivable	-	-	-	-	15,883
Intergovernmental receivable	-	-	-	-	-
Accrued interest receivable	3,281	594	2,050	-	21,267
Current portion of delinquent taxes receivable	-	121,983	-	-	-
Current portion of interest and penalties receivable on delinquent taxes	-	32,860	-	-	-
Due from other funds	-	-	-	-	4,000,000
Prepaid expenses	31,000	-	-	-	-
Restricted assets	-	-	-	-	-
Total current assets	<u>1,210,515</u>	<u>278,610</u>	<u>290,322</u>	<u>-</u>	<u>6,579,717</u>
<b>NONCURRENT ASSETS</b>					
Property and Equipment - at cost					
Land	-	-	-	-	-
Land improvements	676,091	-	-	-	-
Buildings	1,857,953	-	-	-	-
Machinery and equipment	92,041	-	-	-	-
Construction in progress	-	-	-	-	-
Total Property and Equipment	<u>2,626,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less accumulated depreciation	<u>(1,194,590)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Property and Equipment - net	<u>1,431,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ADVANCES TO OTHER FUNDS	-	-	300,000	-	788,195
DELINQUENT TAXES RECEIVABLE	-	-	-	-	2,186,988
INTEREST AND PENALTIES RECEIVABLE ON DELINQUENT TAXES	-	-	-	-	524,163
TOTAL ASSETS	<u>\$ 2,642,010</u>	<u>\$ 278,610</u>	<u>\$ 590,322</u>	<u>\$ -</u>	<u>\$ 10,079,063</u>

*County of Muskegon*

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

*September 30, 2008*

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2005 Delinquent Tax Revolving (5165)	2006 Delinquent Tax Revolving (5166)
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 3,333	\$ -	\$ 1,250	\$ -	\$ -
Accrued liabilities	7,071	-	-	-	26,250
Current portion of long term debt	185,000	-	-	-	1,500,000
<b>Total current liabilities</b>	<b>195,404</b>	<b>-</b>	<b>1,250</b>	<b>-</b>	<b>1,526,250</b>
<b>NONCURRENT LIABILITIES</b>					
Long term advances from other funds	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>195,404</b>	<b>-</b>	<b>1,250</b>	<b>-</b>	<b>1,526,250</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	1,246,495	-	-	-	-
Unreserved	1,200,111	278,610	589,072	-	8,552,813
<b>TOTAL NET ASSETS</b>	<b>\$ 2,446,606</b>	<b>\$ 278,610</b>	<b>\$ 589,072</b>	<b>\$ -</b>	<b>\$ 8,552,813</b>

*County of Muskegon*

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

*September 30, 2008*

ASSETS	Muskegon County Land Bank (5500)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Totals
<b>CURRENT ASSETS</b>					
Cash and cash investments	\$ 16,233	\$ 534,373	\$ 151,903	\$ 42,617	\$ 2,544,209
Investments	284,537	737,943	209,771	58,851	3,622,265
Accounts receivable	-	-	24,090	-	39,973
Intergovernmental receivable	-	-	263,314	-	263,314
Accrued interest receivable	-	3,503	662	262	31,619
Current portion of delinquent taxes receivable	-	-	-	-	121,983
Current portion of interest and penalties receivable on delinquent taxes	-	-	-	-	32,860
Due from other funds	-	-	-	-	4,000,000
Prepaid expenses	-	-	-	-	31,000
Restricted assets	-	132,959	-	-	132,959
<b>Total current assets</b>	<b>300,770</b>	<b>1,408,778</b>	<b>649,740</b>	<b>101,730</b>	<b>10,820,182</b>
<b>NONCURRENT ASSETS</b>					
<b>Property and Equipment - at cost</b>					
Land	-	-	199,487	-	199,487
Land improvements	-	-	-	-	676,091
Buildings	-	151,353	5,799,390	-	7,808,696
Machinery and equipment	-	66,267	5,545,738	45,000	5,749,046
Construction in progress	-	-	131,629	-	131,629
<b>Total Property and Equipment</b>	<b>-</b>	<b>217,620</b>	<b>11,676,244</b>	<b>45,000</b>	<b>14,564,949</b>
Less accumulated depreciation	-	(125,862)	(5,530,734)	(19,125)	(6,870,311)
<b>Property and Equipment - net</b>	<b>-</b>	<b>91,758</b>	<b>6,145,510</b>	<b>25,875</b>	<b>7,694,638</b>
<b>ADVANCES TO OTHER FUNDS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,088,195</b>
<b>DELINQUENT TAXES RECEIVABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,186,988</b>
<b>INTEREST AND PENALTIES RECEIVABLE ON DELINQUENT TAXES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>524,163</b>
<b>TOTAL ASSETS</b>	<b>\$ 300,770</b>	<b>\$ 1,500,536</b>	<b>\$ 6,795,250</b>	<b>\$ 127,605</b>	<b>\$ 22,314,166</b>

**County of Muskegon**

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

**September 30, 2008**

	<b>Muskegon County Land Bank (5500)</b>	<b>Fly Ash Program (5711)</b>	<b>Muskegon Area Transit System (5880)</b>	<b>Muskegon Trolley Company (5890)</b>	<b>Totals</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 770	\$ -	\$ 69,674	\$ 85	\$ 75,112
Accrued liabilities	-	434	320,157	565	354,477
Current portion of long term debt	-	-	-	-	1,685,000
<b>Total current liabilities</b>	<b>770</b>	<b>434</b>	<b>389,831</b>	<b>650</b>	<b>2,114,589</b>
<b>NONCURRENT LIABILITIES</b>					
Long term advances from other funds	300,000	-	-	-	300,000
<b>Total noncurrent liabilities</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>
<b>TOTAL LIABILITIES</b>	<b>300,770</b>	<b>434</b>	<b>389,831</b>	<b>650</b>	<b>2,414,589</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	-	91,758	6,145,510	25,875	7,509,638
Unreserved	-	1,408,344	259,909	101,080	12,389,939
<b>TOTAL NET ASSETS</b>	<b>\$ -</b>	<b>\$ 1,500,102</b>	<b>\$ 6,405,419</b>	<b>\$ 126,955</b>	<b>\$ 19,899,577</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, 2008*

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2005 Delinquent Tax Revolving (5165)	2006 Delinquent Tax Revolving (5166)
<b>Operating revenues</b>					
Charges for services	\$ 13,603	\$ -	\$ 291,140	\$ -	\$ -
Interest and penalties on delinquent taxes	-	14,817	23,390	-	982,234
Other	34,374	-	-	-	-
	<u>47,977</u>	<u>14,817</u>	<u>314,530</u>	<u>-</u>	<u>982,234</u>
<b>Operating expenses</b>					
Salaries and fringe benefits	9,143	-	-	-	-
Supplies and other operating expenses	48,207	2,452	311,847	-	12,993
Interest expense	-	-	-	-	265,000
Depreciation and amortization	63,511	-	-	-	-
	<u>120,861</u>	<u>2,452</u>	<u>311,847</u>	<u>-</u>	<u>277,993</u>
<b>Operating income (loss)</b>	(72,884)	12,365	2,683	-	704,241
<b>Non-Operating revenues (expenses)</b>					
Operating subsidies	-	-	-	-	-
Interest income	44,083	5,110	20,090	-	301,377
Interest expense	(38,018)	-	-	-	-
Other (net)	-	-	-	-	-
	<u>6,065</u>	<u>5,110</u>	<u>20,090</u>	<u>-</u>	<u>301,377</u>
<b>Income (loss) before contributions and transfers</b>	<u>(66,819)</u>	<u>17,475</u>	<u>22,773</u>	<u>-</u>	<u>1,005,618</u>
Capital contributions	-	-	-	-	-
Transfers in	-	-	-	-	8,253,146
Transfers (out)	-	(50,000)	(50,000)	(8,229,113)	(1,947,638)
	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(8,229,113)</u>	<u>6,305,508</u>
<b>Change in net assets</b>	(66,819)	(32,525)	(27,227)	(8,229,113)	7,311,126
<b>Net Assets at beginning of year</b>	2,513,425	311,135	616,299	8,229,113	1,241,687
<b>Net Assets at end of year</b>	<u>\$ 2,446,606</u>	<u>\$ 278,610</u>	<u>\$ 589,072</u>	<u>\$ -</u>	<u>\$ 8,552,813</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, 2008

	Muskegon County Land Bank (5500)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Totals
<b>Operating revenues</b>					
Charges for services	\$ -	\$ -	\$ 457,802	\$ 38,058	\$ 800,603
Interest and penalties on delinquent taxes	-	-	-	-	1,020,441
Other	-	-	217	-	34,591
	<u>-</u>	<u>-</u>	<u>458,019</u>	<u>38,058</u>	<u>1,855,635</u>
<b>Operating expenses</b>					
Salaries and fringe benefits	-	39,720	1,775,508	9,348	1,833,719
Supplies and other operating expenses	-	8,504	987,918	7,822	1,379,743
Interest expense	-	-	-	-	265,000
Depreciation and amortization	-	3,784	525,047	4,500	596,842
	<u>-</u>	<u>52,008</u>	<u>3,288,473</u>	<u>21,670</u>	<u>4,075,304</u>
<b>Operating income (loss)</b>	-	(52,008)	(2,830,454)	16,388	(2,219,669)
<b>Non-Operating revenues (expenses)</b>					
Operating subsidies	-	-	2,365,789	-	2,365,789
Interest income	-	43,741	7,646	2,906	424,953
Interest expense	-	-	-	-	(38,018)
Other (net)	-	-	11,650	-	11,650
	<u>-</u>	<u>43,741</u>	<u>2,385,085</u>	<u>2,906</u>	<u>2,764,374</u>
<b>Income (loss) before contributions and transfers</b>	-	(8,267)	(445,369)	19,294	544,705
Capital contributions	-	-	125,745	-	125,745
Transfers in	-	-	-	-	8,253,146
Transfers (out)	-	-	-	-	(10,276,751)
	<u>-</u>	<u>-</u>	<u>125,745</u>	<u>-</u>	<u>(1,897,860)</u>
<b>Change in net assets</b>	-	(8,267)	(319,624)	19,294	(1,353,155)
Net Assets at beginning of year	-	1,508,369	6,725,043	107,661	21,252,732
Net Assets at end of year	<u>\$ -</u>	<u>\$ 1,500,102</u>	<u>\$ 6,405,419</u>	<u>\$ 126,955</u>	<u>\$ 19,899,577</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS**

*For the Year ended September 30, 2008*

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2005 Delinquent Tax Revolving (5165)	2006 Delinquent Tax Revolving (5166)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 13,603	\$ 14,817	\$ 314,530	\$ 12,400	\$ 966,351
Cash Payments to Suppliers of Goods and Services	(46,699)	(2,452)	(311,847)	-	(12,993)
Cash Payments to Employees for Services	(6,889)	-	-	-	-
Interest paid	-	-	-	(27,500)	(398,750)
Other receipts (payments)	53,958	-	-	-	-
Net cash provided by (used for) Operating Activities	<u>13,973</u>	<u>12,365</u>	<u>2,683</u>	<u>(15,100)</u>	<u>554,608</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Tax collections	-	123,988	(25)	2,390,976	6,176,997
Note payments	-	-	-	(1,500,000)	(7,500,000)
Increase in investments	-	-	-	-	-
Long Term Advance from (to) other funds	-	-	(239,651)	1,069,615	(788,195)
Operating Subsidies and Grants	-	-	-	-	-
Transfers to other funds	-	(50,000)	(50,000)	(8,229,113)	(1,947,638)
Transfers from other funds	-	-	-	-	8,253,146
Advances from (to) other funds	-	-	-	-	(4,000,000)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>73,988</u>	<u>(289,676)</u>	<u>(6,268,522)</u>	<u>194,310</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payments on long term debt	(190,000)	-	-	-	-
Capital contributions	-	-	-	-	-
Interest payments on long term debt	(42,926)	-	-	-	-
Construction in progress	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(232,926)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

*For the Year ended September 30, 2008*

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2005 Delinquent Tax Revolving (5165)	2006 Delinquent Tax Revolving (5166)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	838,408	163,211	352,560	4,102,692	889,700
Purchase of investments	(635,723)	(149,419)	(155,803)	-	(1,374,190)
Interest received from investment pool	44,193	4,985	19,608	19,970	281,895
Net cash provided by investing activities	<u>246,878</u>	<u>18,777</u>	<u>216,365</u>	<u>4,122,662</u>	<u>(202,595)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
	27,925	105,130	(70,628)	(2,160,960)	546,323
Cash and cash equivalents, September 30, 2007	<u>466,093</u>	<u>10,983</u>	<u>191,702</u>	<u>2,160,960</u>	<u>521,555</u>
Cash and cash equivalents, September 30, 2008	<u>\$ 494,018</u>	<u>\$ 116,113</u>	<u>\$ 121,074</u>	<u>\$ -</u>	<u>\$ 1,067,878</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	<u>(\$ 72,884)</u>	<u>\$ 12,365</u>	<u>\$ 2,683</u>	<u>\$ -</u>	<u>\$ 704,241</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	63,511	-	-	-	-
<b>Changes in Assets and Liabilities:</b>					
(Increase) decrease in accounts receivable	-	-	-	12,400	(15,883)
Increase (decrease) in accounts payable	1,508	-	-	-	-
(Increase) decrease in prepaid expenses	19,584	-	-	-	-
(Increase) decrease in restricted assets	-	-	-	-	-
Increase (decrease) in accruals	2,254	-	-	(27,500)	(133,750)
Total Adjustments	<u>86,857</u>	<u>-</u>	<u>-</u>	<u>(15,100)</u>	<u>(149,633)</u>
Net cash provided by (used for) operations	<u>\$ 13,973</u>	<u>\$ 12,365</u>	<u>\$ 2,683</u>	<u>(\$ 15,100)</u>	<u>\$ 554,608</u>

**County of Muskegon**

**Other Non-Major Proprietary Funds**

**COMBINING STATEMENT OF CASH FLOWS**

**For the Year ended September 30, 2008**

	Muskegon County Land Bank (5500)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Totals
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ -	\$ -	\$ 454,830	\$ 38,058	\$ 1,814,589
Cash Payments to Suppliers of Goods and Services	(542)	(11,409)	(964,685)	(7,737)	(1,358,364)
Cash Payments to Employees for Services	-	(48,958)	(1,808,763)	(9,200)	(1,873,810)
Interest paid	-	-	-	-	(426,250)
Other receipts (payments)	-	-	-	-	53,958
Net cash provided by (used for) Operating Activities	<u>(542)</u>	<u>(60,367)</u>	<u>(2,318,618)</u>	<u>21,121</u>	<u>(1,789,877)</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Tax collections	-	-	-	-	8,691,936
Note payments	-	-	-	-	(9,000,000)
Increase in investments	(201,771)	-	-	-	(201,771)
Long Term Advance from (to) other funds	239,651	-	-	-	281,420
Operating Subsidies and Grants	-	-	2,406,388	-	2,406,388
Transfers to other funds	-	-	-	-	(10,276,751)
Transfers from other funds	-	-	-	-	8,253,146
Advances from (to) other funds	-	-	-	-	(4,000,000)
Net cash provided by (used for) noncapital financing activities	<u>37,880</u>	<u>-</u>	<u>2,406,388</u>	<u>-</u>	<u>(3,845,632)</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payments on long term debt	-	-	-	-	(190,000)
Capital contributions	-	-	125,745	-	125,745
Interest payments on long term debt	-	-	-	-	(42,926)
Construction in progress	-	-	(125,745)	-	(125,745)
Sale of fixed assets	-	-	10,640	-	10,640
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>10,640</u>	<u>-</u>	<u>(222,286)</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

*For the Year ended September 30, 2008*

	Muskegon County Land Bank (5500)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Totals
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	-	793,759	109,980	46,742	7,297,052
Purchase of investments	(21,558)	(687,654)	(195,475)	(54,841)	(3,274,663)
Interest received from investment pool	-	44,061	7,298	2,863	424,873
Net cash provided by investing activities	<u>(21,558)</u>	<u>150,166</u>	<u>(78,197)</u>	<u>(5,236)</u>	<u>4,447,262</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
	15,780	89,799	20,213	15,885	(1,410,533)
Cash and cash equivalents, September 30, 2007	<u>453</u>	<u>444,574</u>	<u>131,690</u>	<u>26,732</u>	<u>3,954,742</u>
Cash and cash equivalents, September 30, 2008	<u>\$ 16,233</u>	<u>\$ 534,373</u>	<u>\$ 151,903</u>	<u>\$ 42,617</u>	<u>\$ 2,544,209</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	<u>\$ -</u>	<u>(\$ 52,008)</u>	<u>(\$ 2,830,454)</u>	<u>\$ 16,388</u>	<u>(\$ 2,219,669)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	-	3,784	525,047	4,500	596,842
<b>Changes in Assets and Liabilities:</b>					
(Increase) decrease in accounts receivable	-	-	(3,189)	-	(6,672)
Increase (decrease) in accounts payable	(542)	-	23,233	85	24,284
(Increase) decrease in prepaid expenses	-	-	-	-	19,584
(Increase) decrease in restricted assets	-	(2,905)	-	-	(2,905)
Increase (decrease) in accruals	-	(9,238)	(33,255)	148	(201,341)
Total Adjustments	<u>(542)</u>	<u>(8,359)</u>	<u>511,836</u>	<u>4,733</u>	<u>429,792</u>
Net cash provided by (used for) operations	<u>(\$ 542)</u>	<u>(\$ 60,367)</u>	<u>(\$ 2,318,618)</u>	<u>\$ 21,121</u>	<u>(\$ 1,789,877)</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 Statement of Net Assets**

**September 30, 2008**

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	\$ 56,295	\$ 16,007	\$ 513,289	\$ 3,773,801	\$ 825,535	\$ 5,184,927
Investments	77,741	22,105	708,828	5,211,439	1,000,000	7,020,113
Accounts receivable	12,007	-	1,484	7,209	-	20,700
Accrued interest receivable	10	-	2,769	23,567	8,678	35,024
Total current assets	<u>146,053</u>	<u>38,112</u>	<u>1,226,370</u>	<u>9,016,016</u>	<u>1,834,213</u>	<u>12,260,764</u>
<b>NONCURRENT ASSETS</b>						
Long-term note receivable	-	-	1,692,096	200,000	-	1,892,096
Long-term advance to other funds	-	-	-	900,583	-	900,583
<b>Property and Equipment - at cost</b>						
Land	-	-	444,908	-	-	444,908
Buildings	-	-	1,592,151	-	-	1,592,151
Machinery and equipment	-	-	11,526,261	-	-	11,526,261
Construction in progress	-	-	-	-	-	-
Total Property and Equipment	<u>-</u>	<u>-</u>	<u>13,563,320</u>	<u>-</u>	<u>-</u>	<u>13,563,320</u>
Less accumulated depreciation	-	-	(9,869,571)	-	-	(9,869,571)
Total Property and Equipment - net	<u>-</u>	<u>-</u>	<u>3,693,749</u>	<u>-</u>	<u>-</u>	<u>3,693,749</u>
<b>TOTAL ASSETS</b>	<u>\$ 146,053</u>	<u>\$ 38,112</u>	<u>\$ 6,612,215</u>	<u>\$ 10,116,599</u>	<u>\$ 1,834,213</u>	<u>\$ 18,747,192</u>

*County of Muskegon*

*Internal Service Funds*

*Combining Statement of Net Assets*

*September 30, 2008*

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	\$ 3,739	\$ 28,752	\$ 17,950	\$ 1,902,999	\$ -	\$ 1,953,440
Current portion of long term debt	-	-	1,163,840	-	-	1,163,840
Accrued liabilities	67,795	9,360	16,407	4,001,749	-	4,095,311
Total current liabilities	<u>71,534</u>	<u>38,112</u>	<u>1,198,197</u>	<u>5,904,748</u>	<u>-</u>	<u>7,212,591</u>
<b>NONCURRENT LIABILITIES</b>						
Long-term Debt	-	-	1,132,915	-	-	1,132,915
Accrued liabilities	-	-	-	1,387,567	-	1,387,567
Long-term advances from other funds	-	-	567,118	-	-	567,118
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,700,033</u>	<u>1,387,567</u>	<u>-</u>	<u>3,087,600</u>
<b>TOTAL LIABILITIES</b>	<u>71,534</u>	<u>38,112</u>	<u>2,898,230</u>	<u>7,292,315</u>	<u>-</u>	<u>10,300,191</u>
<b>NET ASSETS</b>						
Invested in capital assets - net of related debt	-	-	3,713,985	-	-	3,713,985
Unreserved	74,519	-	-	2,824,284	1,834,213	4,733,016
<b>TOTAL NET ASSETS</b>	<u>\$ 74,519</u>	<u>\$ -</u>	<u>\$ 3,713,985</u>	<u>\$ 2,824,284</u>	<u>\$ 1,834,213</u>	<u>\$ 8,447,001</u>

*County of Muskegon*

*Internal Service Funds*

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

*Year ended September 30, 2008*

	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>Operating revenues</b>						
Premiums	\$ -	\$ -	\$ -	\$ 15,209,880	\$ -	\$ 15,209,880
Rents	-	777,597	1,025,253	-	-	1,802,850
Other	635,817	-	644,122	5,383,926	300,000	6,963,865
	<u>635,817</u>	<u>777,597</u>	<u>1,669,375</u>	<u>20,593,806</u>	<u>300,000</u>	<u>23,976,595</u>
<b>Operating expenses</b>						
Salaries and fringes	170,945	208,827	5,483	837,422	-	1,222,677
Supplies and other operating expenses	464,612	557,027	369,672	150,603	-	1,541,914
Insurance benefits and claims	-	-	-	2,097,523	574,439	2,671,962
Insurance premiums	-	11,743	1,295	18,553,107	-	18,566,145
Interest expense	-	-	151,181	-	-	151,181
Depreciation	-	-	920,968	-	-	920,968
	<u>635,557</u>	<u>777,597</u>	<u>1,448,599</u>	<u>21,638,655</u>	<u>574,439</u>	<u>25,074,847</u>
<b>Operating income (loss)</b>	<b>260</b>	<b>-</b>	<b>220,776</b>	<b>(1,044,849)</b>	<b>(274,439)</b>	<b>(1,098,252)</b>
<b>Non-Operating revenues (expenses)</b>						
Investment income	977	-	30,680	309,320	61,540	402,517
Other	-	-	8,383	-	-	8,383
	<u>977</u>	<u>-</u>	<u>39,063</u>	<u>309,320</u>	<u>61,540</u>	<u>410,900</u>
<b>Change in net assets</b>	<b>1,237</b>	<b>-</b>	<b>259,839</b>	<b>(735,529)</b>	<b>(212,899)</b>	<b>(687,352)</b>
Net Assets at beginning of year	73,282	-	3,454,146	3,559,813	2,047,112	9,134,353
Net Assets at end of year	<u>\$ 74,519</u>	<u>\$ -</u>	<u>\$ 3,713,985</u>	<u>\$ 2,824,284</u>	<u>\$ 1,834,213</u>	<u>\$ 8,447,001</u>

County of Muskegon

Governmental Activities Internal Service Funds

Statement of Cash Flows

For the Year ended September 30, 2008

	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	\$ 634,208	\$ 777,597	\$ 1,670,800	\$ 20,600,734	\$ 300,000	\$ 23,983,339
Cash Payments to Suppliers of Goods and Services	(469,183)	(568,919)	(562,693)	(20,709,751)	(574,439)	(22,884,985)
Cash Payments to Employees for Services	(168,697)	(206,015)	(5,483)	(837,422)	-	(1,217,617)
Net cash provided by (used for) Operating Activities	<u>(3,672)</u>	<u>2,663</u>	<u>1,102,624</u>	<u>(946,439)</u>	<u>(274,439)</u>	<u>(119,263)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Sales of non capitalized Assets	-	-	8,383	-	-	8,383
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>8,383</u>	<u>-</u>	<u>-</u>	<u>8,383</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal payments on long term debt	-	-	(1,777,702)	-	-	(1,777,702)
Principal received (paid) on long term advances	-	-	-	80,667	-	80,667
Purchase of capital assets	-	-	(494,565)	-	-	(494,565)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(2,272,267)</u>	<u>80,667</u>	<u>-</u>	<u>(2,191,600)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Payments received on Note receivable	-	-	1,354,465	-	-	1,354,465
Proceeds from sales and maturities of investments	91,385	21,712	611,047	7,233,578	1,403,156	9,360,878
Purchase of investments	(79,529)	(20,598)	(667,018)	(4,856,127)	(1,062,298)	(6,685,570)
Interest received from investment pool	977	-	30,682	313,775	52,862	398,296
Net cash provided by investing activities	<u>12,833</u>	<u>1,114</u>	<u>1,329,176</u>	<u>2,691,226</u>	<u>393,720</u>	<u>4,428,069</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>9,161</b>	<b>3,777</b>	<b>167,916</b>	<b>1,825,454</b>	<b>119,281</b>	<b>2,125,589</b>
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>
Cash and cash equivalents, September 30, 2008	<u>\$ 56,295</u>	<u>\$ 16,007</u>	<u>\$ 513,289</u>	<u>\$ 3,773,801</u>	<u>\$ 825,535</u>	<u>\$ 5,184,927</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, 2008

	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)	\$ 260	\$ -	\$ 220,776	(\$ 1,044,849)	(\$ 274,439)	(\$ 1,098,252)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	-	-	920,968	-	-	920,968
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	(1,609)	-	1,425	6,928	-	6,744
Increase (decrease) in accounts payable	(4,571)	(149)	(32,571)	479,970	-	442,679
Increase (decrease) in accrued liabilities	2,248	2,812	(7,974)	(388,488)	-	(391,402)
Total Adjustments	(3,932)	2,663	881,848	98,410	-	978,989
Net cash provided by (used for) operations	(\$ 3,672)	\$ 2,663	\$ 1,102,624	(\$ 946,439)	(\$ 274,439)	(\$ 119,263)

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, 2008

	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	\$ 11,081,574	\$ 97,267	\$ 2,014,029	\$ 2,212,278	\$ 77,583	\$ 250,368	\$ 98,744	\$ 35,042	\$ 15,866,885
Accounts receivable	726,470	-	288,816	-	-	-	-	-	1,015,286
Accrued interest receivable	-	561	5,481	6,274	185	-	392	96	12,989
	<u>\$ 11,808,044</u>	<u>\$ 97,828</u>	<u>\$ 2,308,326</u>	<u>\$ 2,218,552</u>	<u>\$ 77,768</u>	<u>\$ 250,368</u>	<u>\$ 99,136</u>	<u>\$ 35,138</u>	<u>\$ 16,895,160</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 242,627	\$ -	\$ 42,323	\$ 69,596	\$ 458	\$ -	\$ -	\$ -	\$ 355,004
Intergovernmental payable	271,157	-	358,062	-	-	-	-	-	629,219
Undistributed current and delinquent taxes	8,968,826	-	-	-	-	-	-	-	8,968,826
Trust deposits	2,266,971	-	-	-	-	-	-	-	2,266,971
Accrued liabilities	-	-	613,782	6,622	776	-	-	-	621,180
Unallocated receipts	33,978	97,828	1,294,159	2,142,334	76,534	250,368	99,136	35,138	4,029,475
Fines and Fees due to local municipalities and libraries	24,485	-	-	-	-	-	-	-	24,485
	<u>\$ 11,808,044</u>	<u>\$ 97,828</u>	<u>\$ 2,308,326</u>	<u>\$ 2,218,552</u>	<u>\$ 77,768</u>	<u>\$ 250,368</u>	<u>\$ 99,136</u>	<u>\$ 35,138</u>	<u>\$ 16,895,160</u>

*County of Muskegon*

*Agency Funds*

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

*For the Year ended September 30, 2008*

	<u>Balance Oct. 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2008</u>
<b>Trust and Agency (7010)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 10,968,346	\$ 108,255,624	\$ 108,142,396	\$ 11,081,574
Accounts receivable	<u>557,889</u>	<u>1,312,535</u>	<u>1,143,954</u>	<u>726,470</u>
	<u>\$ 11,526,235</u>	<u>\$ 109,568,159</u>	<u>\$ 109,286,350</u>	<u>\$ 11,808,044</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 23,497	\$ 62,463,573	\$ 62,244,443	\$ 242,627
Intergovernmental payable	595,862	6,819,277	7,143,982	271,157
Undistributed current and delinquent taxes	8,063,156	74,400,883	73,495,213	8,968,826
Fines and fees due to local municipalities and libraries	22,647	310,639	308,801	24,485
Trust deposits	2,351,762	23,046,179	23,130,970	2,266,971
Unallocated receipts	<u>469,311</u>	<u>13,814,628</u>	<u>14,249,961</u>	<u>33,978</u>
	<u>\$ 11,526,235</u>	<u>\$ 180,855,179</u>	<u>\$ 180,573,370</u>	<u>\$ 11,808,044</u>
<b>Library Penal Fines (7210)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 128,752	\$ 427,880	\$ 459,365	\$ 97,267
Accrued interest receivable	<u>562</u>	<u>8,846</u>	<u>8,847</u>	<u>561</u>
	<u>\$ 129,314</u>	<u>\$ 436,726</u>	<u>\$ 468,212</u>	<u>\$ 97,828</u>
<b>LIABILITIES</b>				
Unallocated receipts	<u>\$ 129,314</u>	<u>\$ 588,988</u>	<u>\$ 620,474</u>	<u>\$ 97,828</u>
	<u>\$ 129,314</u>	<u>\$ 588,988</u>	<u>\$ 620,474</u>	<u>\$ 97,828</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2008

	Balance Oct. 1, 2007	Additions	Deductions	Balance Sept. 30, 2008
<b>Central Dispatch (7708)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 3,225,855	\$ 3,788,717	\$ 5,000,543	\$ 2,014,029
Accounts receivable	205,436	1,375,949	1,292,569	288,816
Accrued interest receivable	7,166	70,169	71,854	5,481
	<u>\$ 3,438,457</u>	<u>\$ 5,234,835</u>	<u>\$ 6,364,966</u>	<u>\$ 2,308,326</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 67,113	\$ 1,333,088	\$ 1,357,878	\$ 42,323
Intergovernmental payable	926,527	-	568,465	358,062
Accrued liabilities	60,588	691,801	138,607	613,782
Unallocated receipts	2,384,229	3,178,283	4,268,353	1,294,159
	<u>\$ 3,438,457</u>	<u>\$ 5,203,172</u>	<u>\$ 6,333,303</u>	<u>\$ 2,308,326</u>
<b>District Library (7810)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 1,260,279	\$ 3,197,402	\$ 2,245,403	\$ 2,212,278
Accrued interest receivable	3,498	59,166	56,390	6,274
	<u>\$ 1,263,777</u>	<u>\$ 3,256,568</u>	<u>\$ 2,301,793</u>	<u>\$ 2,218,552</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,174,275	\$ 1,104,679	\$ 69,596
Accrued liabilities	114,912	179,587	287,877	6,622
Unallocated receipts	1,148,865	996,500	3,031	2,142,334
	<u>\$ 1,263,777</u>	<u>\$ 2,350,362</u>	<u>\$ 1,395,587</u>	<u>\$ 2,218,552</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2008

	Balance Oct. 1, 2007	Additions	Deductions	Balance Sept. 30, 2008
<b>Labor Management Program (7910)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 72,367	\$ 69,707	\$ 64,491	\$ 77,583
Accrued interest receivable	199	2,328	2,342	185
	<u>\$ 72,566</u>	<u>\$ 72,035</u>	<u>\$ 66,833</u>	<u>\$ 77,768</u>
Accounts payable	\$ 945	\$ 45,825	\$ 46,312	\$ 458
Accrued liabilities	687	776	687	776
Unallocated receipts	70,934	68,402	62,802	76,534
	<u>\$ 72,566</u>	<u>\$ 115,003</u>	<u>\$ 109,801</u>	<u>\$ 77,768</u>
<b>CMH Client Funds (7930)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 258,333	\$ 3,423,725	\$ 3,431,690	\$ 250,368
	<u>\$ 258,333</u>	<u>\$ 3,423,725</u>	<u>\$ 3,431,690</u>	<u>\$ 250,368</u>
Accounts payable	\$ 27,761	\$ 3,368,523	\$ 3,396,284	\$ -
Unallocated receipts	230,572	3,425,826	3,406,030	250,368
	<u>\$ 258,333</u>	<u>\$ 6,794,349</u>	<u>\$ 6,802,314</u>	<u>\$ 250,368</u>
<b>Muskegon Veterans Affairs (7940)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 82,172	\$ 348,004	\$ 331,432	\$ 98,744
Accrued interest receivable	299	3,582	3,489	392
	<u>\$ 82,471</u>	<u>\$ 351,586</u>	<u>\$ 334,921</u>	<u>\$ 99,136</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,461	\$ 293,514	\$ 299,975	\$ -
Unallocated receipts	76,010	346,473	323,347	99,136
	<u>\$ 82,471</u>	<u>\$ 639,987</u>	<u>\$ 623,322</u>	<u>\$ 99,136</u>
<b>Orchard View (7982)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 34,061	\$ 1,197	\$ 216	\$ 35,042
Accrued interest receivable	100	1,184	1,188	96
	<u>\$ 34,161</u>	<u>\$ 2,381</u>	<u>\$ 1,404</u>	<u>\$ 35,138</u>
<b>LIABILITIES</b>				
Unallocated receipts	<u>\$ 34,161</u>	<u>\$ 1,184</u>	<u>\$ 207</u>	<u>\$ 35,138</u>

*County of Muskegon*

*Agency Funds*

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

*For the Year ended September 30, 2008*

	<u>Balance Oct. 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2008</u>
<b>TOTALS - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 16,030,165	\$ 119,512,256	\$ 119,675,536	\$ 15,866,885
Accounts receivable	763,325	2,688,484	2,436,523	1,015,286
Accrued interest receivable	11,824	145,275	144,110	12,989
	<u>\$ 16,805,314</u>	<u>\$ 122,346,015</u>	<u>\$ 122,256,169</u>	<u>\$ 16,895,160</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 125,777	\$ 68,678,798	\$ 68,449,571	\$ 355,004
Accrued liabilities	176,187	872,164	427,171	621,180
Undistributed current and delinquent taxes	8,063,156	74,400,883	73,495,213	8,968,826
Intergovernmental payable	1,522,389	6,819,277	7,712,447	629,219
Fines and fees due to local municipalities and libraries	22,647	310,639	308,801	24,485
Trust deposits	2,351,762	23,046,179	23,130,970	2,266,971
Unallocated receipts	4,543,396	22,420,284	22,934,205	4,029,475
	<u>\$ 16,805,314</u>	<u>\$ 196,548,224</u>	<u>\$ 196,458,378</u>	<u>\$ 16,895,160</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 176

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 185

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

Debt Capacity 189

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 194

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

Operating Information 196

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

<u>Fiscal Year</u>	<u>2008</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>
<b>Governmental Activities</b>									
Invested in capital assets, net of related debt	\$41,019	\$40,455	\$41,018	\$39,164	\$42,253	\$42,415	\$41,674	\$38,030	\$38,744
Restricted	16,845	12,686	18,876	21,604	16,160	7,444	10,581	9,288	3,915
Unrestricted	<u>18,809</u>	<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>\$76,673</u>	<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>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$97,018	\$98,080	\$91,214	\$85,437	\$84,950	\$83,729	\$74,190	\$84,257	\$76,541
Restricted	3,783	2,021	2,594	3,464	1,917	3,670	8,947	9,443	4,146
Unrestricted	<u>25,696</u>	<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>\$126,497</u>	<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>
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$138,037	\$138,535	\$132,232	\$124,601	\$127,203	\$126,144	\$115,864	\$122,287	\$115,285
Restricted	20,628	14,707	21,470	25,068	18,077	11,114	19,528	18,731	8,061
Unrestricted	<u>44,505</u>	<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>\$203,170</u>	<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 Eight Fiscal Years***  
***(accrual basis of accounting)***  
***(amounts expressed in thousands)***  
(Unaudited)

	<b>Fiscal Year</b>							
	<u>2008</u>	<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	\$8,437	\$8,333	\$8,173	\$7,801	\$7,704	\$7,463	\$7,031	\$6,387
General County Government	28,034	27,216	20,971	22,972	20,814	19,442	19,840	19,216
Public Safety	13,428	13,442	13,219	12,923	12,619	11,844	10,804	10,707
Health	108,059	113,300	109,598	103,897	103,018	112,286	89,691	105,304
Welfare	12,329	10,210	9,178	7,668	8,507	8,855	7,745	7,197
Other	2,661	2,199	2,983	3,247	3,279	3,378	3,185	3,075
Debt Service expenses	<u>875</u>	<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>173,823</u>	<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	1,325	3,600	3,526	794	3,988	3,267	1,194	1,196
Airport	2,493	2,424	2,474	2,764	2,131	2,763	2,685	2,408
Northside Water	3,169	2,381	693	358	377	920	388	267
Wastewater	16,531	14,608	15,023	15,155	14,604	14,418	13,559	14,725
Other Proprietary Funds	<u>4,276</u>	<u>3,953</u>	<u>5,403</u>	<u>4,328</u>	<u>3,928</u>	<u>3,624</u>	<u>4,939</u>	<u>3,107</u>
Total Business-Type Activities	<u>27,794</u>	<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>\$201,617</u>	<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

Last Eight Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	Fiscal Year							
	<u>2008</u>	<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	\$2,996	\$3,277	\$2,949	\$2,919	\$2,929	\$2,507	\$2,469	\$2,456
General County Government	5,408	6,432	6,086	6,425	7,213	7,324	6,082	6,515
Public Safety	903	1,046	730	842	1,034	1,698	543	1,210
Health	84,614	76,698	72,247	74,835	78,776	85,638	66,121	82,372
Other Activities	1,134	1,656	1,408	1,738	1,047	36	1,095	1,006
Operating Grants and Contributions	34,958	35,229	33,518	30,783	33,629	32,283	33,340	30,573
Capital Grants and Contributions	-	-	-	-	-	<u>800</u>	<u>1,488</u>	<u>1,003</u>
Total Governmental Program Activities Revenues	<u>130,013</u>	<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	15,970	13,832	12,640	12,281	12,796	10,656	11,102	10,326
Other	9,117	8,700	7,618	6,521	4,401	6,362	5,824	4,788
Operating Grants and Contributions	6,111	5,215	2,982	2,828	4,904	2,416	2,371	1,991
Capital Grants and Contributions	<u>734</u>	<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>31,932</u>	<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>161,945</u>	<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>								

# County of Muskegon

## CHANGES IN NET ASSETS

Last Eight Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	Fiscal Year							
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Governmental Activities	(43,810)	(51,369)	(48,426)	(42,128)	(32,427)	(34,167)	(28,285)	(27,764)
Business-Type Activities	4,138	6,610	(1,556)	611	274	(2,210)	4,961	(1,569)
Total Primary Government net expense	<u>(\$39,672)</u>	<u>(\$44,759)</u>	<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	\$29,559	\$36,902	\$35,076	\$31,294	\$24,227	\$23,196	\$22,013	\$20,769
Investment Earnings	1,718	2,505	2,158	1,149	759	927	753	3,219
Other	<u>13,481</u>	<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>44,758</u>	<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	1,515	1,564	1,260	958	586	875	1,505	1,719
Other	<u>(344)</u>	<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>1,171</u>	<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>\$45,929</u>	<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	\$948	(\$4,244)	\$18,716	\$667	\$778	(\$237)	\$1,320	\$3,420
Business-Type Activities	<u>5,309</u>	<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>\$6,257</u>	<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>2008</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>
General fund										
Reserved	\$589	\$589	\$589	\$589	\$589	\$589	\$1,305	\$1,305	\$1,305	\$1,305
Unreserved	<u>8,479</u>	<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>
Total General fund	<u>\$9,068</u>	<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>
All other governmental funds										
Reserved	\$1,445	\$1,858	\$1,317	\$1,453	\$933	\$800	\$800	\$800	\$901	\$946
Unreserved, reported in:										
Special revenue funds	13,218	16,036	12,405	8,219	4,271	3,908	4,319	3,434	2,482	2,286
Debt Service	2,024	1,801	1,585	1,761	1,541	1,713	1,799	1,723	3,756	3,701
Capital projects funds (2)	11,113	7,661	14,026	5,404	3,451	3,201	5,085	4,684	1,892	3,089
Permanent funds	<u>50</u>	<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>
Total all other governmental funds	<u>\$27,850</u>	<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>

(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>2008</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>
<b>Revenues</b>										
Taxes	\$29,559	\$36,902	\$35,076	\$31,294	\$24,226	\$23,196	\$22,013	\$20,769	\$19,694	\$18,691
Operating grants and contributions	34,958	35,229	33,518	30,783	33,629	32,283	33,478	31,576	31,462	27,991
Charges for services	88,447	87,132	83,420	84,748	89,003	95,231	74,926	90,546	55,306	54,243
Other	<u>8,302</u>	<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>
Total Revenues	<u>161,266</u>	<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>
<b>Expenditures</b>										
Judicial	8,410	8,294	8,136	7,758	7,663	7,420	6,990	6,326	5,164	4,560
General County Government	18,627	20,574	17,786	17,143	17,158	16,496	15,298	12,570	15,302	13,944
Public Safety	13,242	13,243	13,016	12,712	12,379	11,570	10,596	10,448	9,668	9,270
Health	107,987	112,990	109,301	100,254	101,563	110,357	89,440	103,256	69,386	66,466
Welfare	12,224	10,103	9,070	7,551	8,383	8,728	7,615	7,069	6,569	6,559
Other	2,453	1,987	2,598	3,017	3,047	3,158	3,015	2,908	3,057	2,916
Capital Outlay	1,422	1,706	1,132	3,918	1,310	3,434	6,563	7,751	3,012	6,769

# 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>2008</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>
Debt Service										
Principal	1,715	1,540	6,460	2,285	2,040	2,140	2,480	2,380	2,275	2,140
Interest	873	864	1,242	1,074	1,039	1,130	1,066	922	1,009	1,226
Other	<u>2</u>	<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>
Total Expenditures	<u>166,955</u>	<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>
Excess of revenues over (under)										
expenditures	(5,689)	(3,447)	(8,262)	309	306	(4,659)	(4,083)	(1,879)	18	(4,764)
Transfers in	16,136	17,066	15,506	15,249	11,410	14,681	11,283	11,161	7,910	10,316
Transfers out	(15,602)	(17,494)	(15,511)	(14,081)	(10,874)	(12,853)	(12,193)	(12,085)	(8,997)	(8,841)
Bonds issued	6,000	995	20,580	-	-	-	6,500	6,500	-	2,680
Notes issued	-	-	-	5,000	-	-	-	-	-	-
Sale of Capital Assets	<u>7</u>	<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>
Total other financing sources (uses)	<u>6,541</u>	<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>
Net change in fund balances	<u>\$852</u>	<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>
Debt service as a percentage of										
noncapital expenditures	1.59%	1.52%	4.92%	2.32%	2.10%	2.11%	2.71%	2.38%	3.01%	3.25%

# County of Muskegon

## GOVERNMENTAL FUNDS REVENUES BY SOURCE

Last Nine Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

<u>Fiscal Year</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Property Taxes</u>	<u>Investment Earnings</u>	<u>Rentals</u>	<u>Other Revenues and Donations</u>	<u>Total</u>
2000	\$58,961	\$30,516	\$18,697	\$1,798	\$448	\$2,735	\$113,155
2001	93,559	30,573	20,769	3,219	791	4,747	153,658
2002	76,310	33,340	22,013	1,567	967	5,693	139,890
2003	97,203	32,283	23,196	927	734	7,539	161,882
2004	90,999	33,629	24,227	759	830	7,024	157,468
2005	86,759	30,783	31,294	1,149	810	8,361	159,156
2006	83,420	33,518	35,076	1,676	743	6,643	161,076
2007	87,132	35,229	36,902	1,936	982	5,816	167,997
2008	88,447	34,958	29,559	1,316	608	6,378	161,266

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>
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
2008	28,410	830	319	29,559

# County of Muskegon

## PRINCIPAL PROPERTY TAXPAYERS

September 30,

(amounts express in thousands)

(Unaudited)

	2008			1998		
	Taxable		Percentage of	Taxable		Percentage of
Consumers Energy	121,611	1	2.62 %	95,507	1	3.55 %
Howmet Corp (c/o Alcoa Co)	57,658	2	1.24	28,739	4	1.07
Sappi Paper Products	35,154	3	0.76	46,986	2	1.74
DTE Energy	28,901	5	0.62	27,167	3	1.01
Diversified Machine	23,893	4	0.51			
Sun Chemical of Michigan LLC	22,989	6	0.49	18,045	6	0.67
Meijer Inc	19,829	7	0.43			
THF Fruitport Dev LP	17,031	8	0.37			
L3 Communications Corp	16,523	9	0.36			
Johnson Technology Inc.	16,156	10	0.35			
SPX				22,750	5	0.84
Horizon Outlets				15,169	7	0.57
Lorin Industries				13,723	8	0.51
Brunswick				9,942	9	0.37
Lomac				<u>11,500</u>	10	<u>0.43</u>
Totals	<u>\$359,745</u>		<u>7.74</u> %	<u>\$289,528</u>		<u>10.76</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 Direct & Overlap Rates
	Operating Millage(1)	Debt Millage(2)	Total Millage	Operating Millage	Debt Millage	Total Millage	Operating Millage(3)	Debt Millage	Total Millage	
	1999	6.29	0.43	6.72	7.32	0.39	7.71	19.26	5.96	
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
2008	6.40	0.30	6.70	6.98	0.00	6.98	20.95	7.00	27.95	41.63

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
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
2008	5,255	414	5,669	4,233	414	4,647	6.70	81.97%	11,338

Source: Equalization Department

**County of Muskegon**

**PROPERTY TAX LEVIES AND COLLECTIONS**

*Last Ten Fiscal Years*

*(amounts expressed in thousands)*

(Unaudited)

<b>Ended</b>	<b>Total Tax Levy for</b>	<b>Collected within the</b>		<b>Collections in</b>	<b>Total Collections to Date</b>		
		<b>Fiscal Year of the Levy</b>			<b>Subsequent Years</b>	<b>Amount</b>	<b>% of Levy</b>
		<b>Amount</b>	<b>% of Levy</b>				
<b>September 30</b>	<b>Fiscal Year</b>	<b>Amount</b>	<b>% of Levy</b>	<b>Subsequent Years</b>	<b>Amount</b>	<b>% of Levy</b>	
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%	1,900	22,003	100.0%	
2006	23,215	21,413	92.2%	983	22,396	96.5%	
2007	24,467	22,621	92.5%	798	23,419	95.7%	
2008*	25,404	NA	NA	NA	NA	NA	

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 bonds	Delinquent tax notes			
2008	\$10,430	\$34,605	\$5,595	\$59,717	\$1,440	\$12,500	\$124,287	4.06%	\$730.24
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

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>	General Obligation <u>Bonds</u>	Less: Amounts Available in Debt <u>Service Fund</u>	<u>Total</u>	Percentage of Estimated Actual Taxable Value of <u>Property</u>	Per <u>Capita</u>
2008	\$10,430	\$2,024	\$8,406	0.21%	49.39
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

# County of Muskegon

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2008

(Unaudited)

	Net Debt <u>Outstanding</u>	Percentage Applicable to this Governmental Unit <sup>1</sup>	Share of <u>Debt</u>
County Issued Bonds Paid by Local Municipalities	\$34,605,000	88	\$30,452,400
County at Large	77,181,506	100	77,181,506
Tax Anticipation Notes	<u>12,500,000</u>	100	<u>12,500,000</u>
Direct Debt	124,286,506		120,133,906
 Muskegon Community College & Intermediate School Districts	 16,571,978	 100	 16,571,978
School Districts	345,199,426	99.9	344,854,227
Cities, Villages and Townships	95,518,000	100	95,518,000
White Lake District Library	<u>1,235,000</u>	100	<u>1,235,000</u>
Overlapping Debt	458,524,404		458,179,205
 Total Direct and Overlapping Debt	 <u>\$582,810,910</u>		 <u>\$578,313,111</u>

Source: Municipal Advisory Council

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

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

# County of Muskegon

## LEGAL DEBT MARGIN INFORMATION

### Last Ten Fiscal Years

(amounts express in thousands)

(Unaudited)

Fiscal Year	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Debt Limit (a)	\$566,879	\$554,383	\$529,516	\$505,360	\$484,014	\$459,402	\$428,427	\$389,651	\$347,554	\$319,172
Total net debt applicable to limit (b)	<u>104,790</u>	<u>99,972</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>
Legal debt margin available	\$462,089	<u>\$454,411</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>
Total net debt applicable to limit as a percentage of debt limit (b) / (a)	18.49%	18.03%	15.45%	9.80%	10.64%	11.92%	12.15%	12.65%	12.81%	17.47%
County net debt limit as a percentage of total State Equalized Value (1)	1.85%	1.80%	1.55%	0.98%	1.06%	1.19%	1.22%	1.26%	1.28%	1.75%

### Legal Debt Margin Calculation for Fiscal Year 2008

State equalized value	<u>\$5,668,789,809</u>
Debt limit(10% of SEV)	566,878,981
Debt applicable to limit:	
Total bonded debt	124,286,506
Other debt	<u>8,863,756</u>
Total applicable debt	133,150,262
Less amount available for debt retirement	<u>28,360,286</u>
Total County net debt limit (1)	<u>104,789,976</u>
Legal Debt Margin available	<u>\$462,089,005</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	
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
2008	3,862	17	3,845	3,290	994	89.75	430	375	1	114.36

(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>2008</u>			<u>1998</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>
Mercy Health Partners	3,245	1	4.02%	1,654	2	2.73
Howmet Corp.	2,498	2	3.10	1,968	1	3.25%
County of Muskegon	1,245	3	1.54	1,369	3	2.26
Muskegon Public Schools	878	4	1.09	930	7	1.54
Plumb's Foods	850	5	1.05	801	9	1.32
Muskegon Correctional Facility	847	6	1.05			
L3 Communications	530	7	0.66			
ADAC Automotive	511	8	0.63			
Johnson Technology, Inc.	485	9	0.60			
Knoll	475	10	0.59			
Hackley Hospital				1,234	4	2.04
Sappi Fine Paper				828	8	1.37
SPX				1,140	5	1.88
Brunswick				630	10	1.04
Meijer				1,053	6	1.74

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>			
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*	171,263	3,077,082	17,967	35.5	33,973	5.8%
2002*	171,872	3,088,024	17,967	35.5	34,851	8.8%
2003*	172,569	3,100,547	17,967	35.5	33,580	10.0%
2004*	173,187	3,111,651	17,967	35.5	33,370	8.8%
2005*	174,083	4,126,986	23,707	35.5	32,982	7.2%
2006*	174,240	4,130,708	23,707	35.5	31,796	6.6%
2007*	174,386	4,134,169	23,707	35.5	31,488	7.1%
2008*	174,636	4,140,096	23,707	35.5	31,253	7.8%

\* Estimated

1) US Census Bureau

2) Michigan Dept of History Arts and Library

3) Michigan Dept of Education

*County of Muskegon*

**OPERATING INDICATORS BY FUNCTION**

*Last Ten Fiscal Years*

(Unaudited)

<b>Function</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>2008</u></b>
<b>Police</b>									
Bookings	7,625	8,549	9,096	8,953	9,049	9,343	9,815	10,343	10,475
Traffic Stops	-	2,384	3,104	3,837	4,283	3,521	3,087	2,447	2,025
Verbal Warnings	642	1,238	1,862	2,094	1,892	1,706	1,683	1,100	1,421
Citations	1,908	3,204	3,654	4,391	4,329	2,851	2,491	2,039	2,082
<b>County Road Commission</b>									
Street resurfacing (miles)	32	94	13	71	22	32	95	38	18
<b>Sanitation</b>									
Refuse collected (tons)	72,891	89,133	89,186	76,026	67,573	60,256	88,971	126,994	147,484
Recyclables collected (tons)	89	104	92	89	69	77	66	39	16
<b>Water</b>									
New Connections	-	-	-	886	941	995	1,033	106	91
Average daily consumption (thousands of gallons)	-	404	347	348	380	374	483	406	560
<b>Wastewater</b>									
Avg daily sewage treatment (gallons)	30	29	28	25	25	26	23	20	20
<b>District Court</b>									
Cases Filed	44,796	44,256	46,416	48,193	45,766	43,554	44,573	45,275	47,631
Cases Disposed	45,339	48,130	47,977	55,210	51,708	51,932	46,915	45,036	47,584
Cases Pending	19,536	15,662	14,101	8,069	8,083	5,800	6,183	6,607	7,036

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

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

<b>Function</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>2008</u></b>
<b><u>Administration</u></b>										
Administrator	9	8	8	9	9	9	9	9	9	9
Accounting	12	12	12	12	12	11	11	10	10	9
Human Resources	6	6	6	6	6	5	5	5	5	5
Purchasing	4	4	4	4	4	4	4	4	4	4
Office Services	4	4	4	4	4	5	5	5	3	3
Information Systems	11	11	12	12	11	8	8	8	8	8
Employment and Training	18	18	21	21	22	21	21	22	23	23
Corporate Counsel	-	-	-	-	3	3	3	-	-	-
Risk Management	<u>6</u>	<u>6</u>	<u>7</u>	<u>8</u>						
Total	70	69	74	76	79	74	74	71	70	69
<b><u>DPW - Transportation and Planning</u></b>										
Public Works	1	1	1	1	1	1	-	-	-	-
Airport	17	16	16	16	20	15	15	14	13	13
Transit	39	39	43	45	46	46	46	47	46	46
Wastewater	78	80	81	81	81	81	65	59	57	57
Regional Water System	-	-	-	-	-	-	-	2	2	2
Solid Waste	10	10	10	11	11	14	14	13	13	13
Solid Waste - Fly Ash	<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>	<u>1</u>
Total	150	150	155	158	163	158	141	136	132	132

**General Government**

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

<b>Function</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>2008</u></b>
County Clerk	6	6	6	6	6	6	6	6	6	6
County Clerk - Circuit Court Records	7	7	7	8	8	8	8	8	9	9
Equalization	15	20	22	23	23	22	22	22	22	25
Register of Deeds	8	9	9	9	9	9	9	9	9	9
Treasurer	10	10	10	10	10	10	10	10	10	10
Buildings Information Services	1	1	-	-	-	-	-	-	-	-
Drain Commission	5	5	4	4	5	5	5	5	5	5
MSU - Cooperative Extension	<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>	<u>1</u>
Total	54	60	60	62	63	61	61	61	62	65
<b><u>Judicial Administration</u></b>										
Circuit Court	21	20	19	19	19	19	19	23	24	22
District Court	48	53	54	56	56	58	58	61	61	61
District Court - Probation Assessment	2	2	2	2	2	2	2	2	2	2
Family Court - FOC Division	44	41	42	42	41	46	45	46	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	2
Family Court - FOC Welfare Support	-	-	1	1	1	1	-	-	1	1
Family Court - Juvenile Division	23	23	19	19	18	17	15	17	17	15
Family Court - Juvenile Division Program	1	1	1	-	-	-	-	-	-	-
Family Court - Juvenile In Home Intensive	6	12	13	13	13	14	14	14	12	13
Family Court - Juvenile Violence Reporting	1	-	-	-	-	-	-	-	-	-
Family Court - Re-Entry Initiative	-	-	-	-	3	3	3	2	1	-

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

<b>Function</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>2008</u></b>
Family Court - Special Improvement Project	-	-	-	-	3	3	-	-	-	-
Probate Court	<u>7</u>									
Total	154	160	161	162	165	172	166	175	174	170
<b><u>Legislative</u></b>										
Board of Commissioners	<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>	<u>11</u>
Total	9	9	9	9	11	11	11	11	11	11
<b><u>Libraries and Recreation</u></b>										
Library	40	41	41	42	42	41	41	27	39	-
County Parks	19	22	22	22	22	22	22	22	22	22
Convention/Visitor's Bureau	<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>	<u>7</u>
Total	59	68	68	69	68	68	69	56	68	29
<b><u>Maintenance</u></b>										
Courthouse-Grounds	<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>	<u>18</u>
Total	21	21	24	24	22	14	14	14	16	18
<b><u>Public and Mental Health</u></b>										
Health	107	106	110	110	87	79	81	85	85	86
Mental Health	<u>316</u>	<u>319</u>	<u>321</u>	<u>324</u>	<u>324</u>	<u>328</u>	<u>323</u>	<u>327</u>	<u>329</u>	<u>333</u>
Total	423	425	431	434	411	407	404	412	414	419
<b><u>Public Safety</u></b>										
Prosecutor	22	22	20	20	21	20	20	21	21	20
Prosecutor - Cooperative Reimbursement	5	5	5	5	6	6	6	5	5	5
Prosecutor - Crime Victims Rights	4	4	4	4	3	4	4	4	4	4

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

<b>Function</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>2008</u></b>
Prosecutor - Family Court FIA Grant	-	-	3	3	3	3	3	3	3	3
Prosecutor - Juvenile Accountability Incentive	-	1	2	2	1	1	1	1	1	1
Prosecutor - Community Gun Violence	-	-	-	-	2	2	2	-	-	-
Prosecutor - Project Cornerstone	-	2	2	2	2	-	-	1	1	1
Sheriff - Operations	106	106	108	108	115	115	118	122	124	123
Sheriff - Road Patrol Grant	2	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/Courtroom Security	-	-	-	-	-	-	-	10	8	9
Sheriff - Township Patrols	-	-	5	5	5	5	4	3	3	2
Community Corrections	7	7	8	8	8	8	8	8	5	8
Emergency Services	<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>	<u>2</u>
Total	156	160	171	172	181	179	180	191	187	188
<b><u>Social Services</u></b>										
Child Haven	16	16	16	16	16	16	16	16	16	16
Brookhaven	240	250	243	244	244	239	239	239	242	274
Juvenile Detention Center	<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>	<u>27</u>
Total	282	292	285	286	286	282	282	282	285	317
<b>GRAND TOTAL</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>1,426</u></b>	<b><u>1,402</u></b>	<b><u>1,409</u></b>	<b><u>1,419</u></b>	<b><u>1,418</u></b>

Source: Budget Department

# County of Muskegon

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

Function	Fiscal year ended September 30,									
	<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>	<u>2008</u>
Public Safety Police										
Jail	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	23	24	27	27	28	25	25	24	24
Culture and recreation										
Parks acreage	337	337	337	337	337	337	337	337	337	337
Parks	6	6	6	6	6	6	6	6	6	6
Sewer	350	350	352	352	352	362	362	362	377	377
Storm and Sanitary (miles)										
Maximum daily treatment capacity (thousands of gallons)	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	42,000	42,000
Airport	180	180	157	139	143	119	129	129	118	91
Capacity (thousand of passengers)										
Transit	15	15	18	15	18	15	15	18	22	22
Number of buses										
Solid Waste	1,022	1,022	934	934	2,654	3,100	3,100	3,100	3,778	3,778
Capacity (thousand cu. yds.)										

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