

# COUNTY OF MUSKEGON

## Muskegon, Michigan



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

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, 2009

## **BOARD OF COMMISSIONERS KENNETH MAHONEY, CHAIRMAN**

CHARLES L. BUZZELL  
LEW COLLINS  
JAMES DEREZINSKI  
MARVIN R. ENGLE  
BILL GILL

LOUISA A. MCMURRAY  
CHARLES NASH  
ROBERT SCOLNIK  
I. JOHN SNIDER II  
ROGER C. WADE

**COUNTY ADMINISTRATOR  
BONNIE B. HAMMERSLEY**

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# MUSKEGON COUNTY

M I C H I G A N

January 31, 2010

## BOARD OF COMMISSIONERS

Kenneth Mahoney  
Chair, District 1

Charles Nash  
Vice Chair, District 7

Charles L. Buzzell  
District 2

Lewis J. Collins  
District 6

James J. Derezinski  
District 4

Marvin R. Engle  
District 5

Bill Gill  
District 8

Louis A. McMurray  
District 9

Robert Scolnik  
District 11

I. John Snider II  
District 3

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, 2009.

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, 2009, 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 stable 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 2,420 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 1,714 employees. 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 361 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 480 employees and provides precision machining, laser and tooling, and stem drilling nationwide.

L-3 Communications - This company has approximately 600 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 430 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 (400, 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 September 30, 2009, in funding 82 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 469 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 \$1,809,807 in 2009, and \$3,233,814 in 2008 for an average yield of 3.93 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, Transit System, 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 2009, a sluggish economy caused our property tax valuations to decrease. This loss of \$709,000 was offset by reductions in expenses across all programs. Reductions also occurred in interest earnings as rates have dropped by as much as 90%. Good news occurred with the announcement of a possible major foreign corporation building a battery plant in the County with up to 700 new jobs. A new casino is to be built in 2011 at the location of a former horse racetrack with additional construction of hotels and other entertainment establishments as construction is completed.

Our wastewater system has completed 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 2009, independent auditors were engaged for the thirty fourth 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.

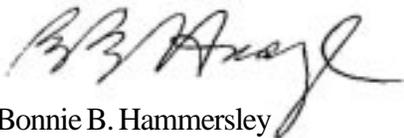
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Muskegon for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2008. This was the thirty first 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,



Bonnie B. Hammersley  
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, 2008

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.

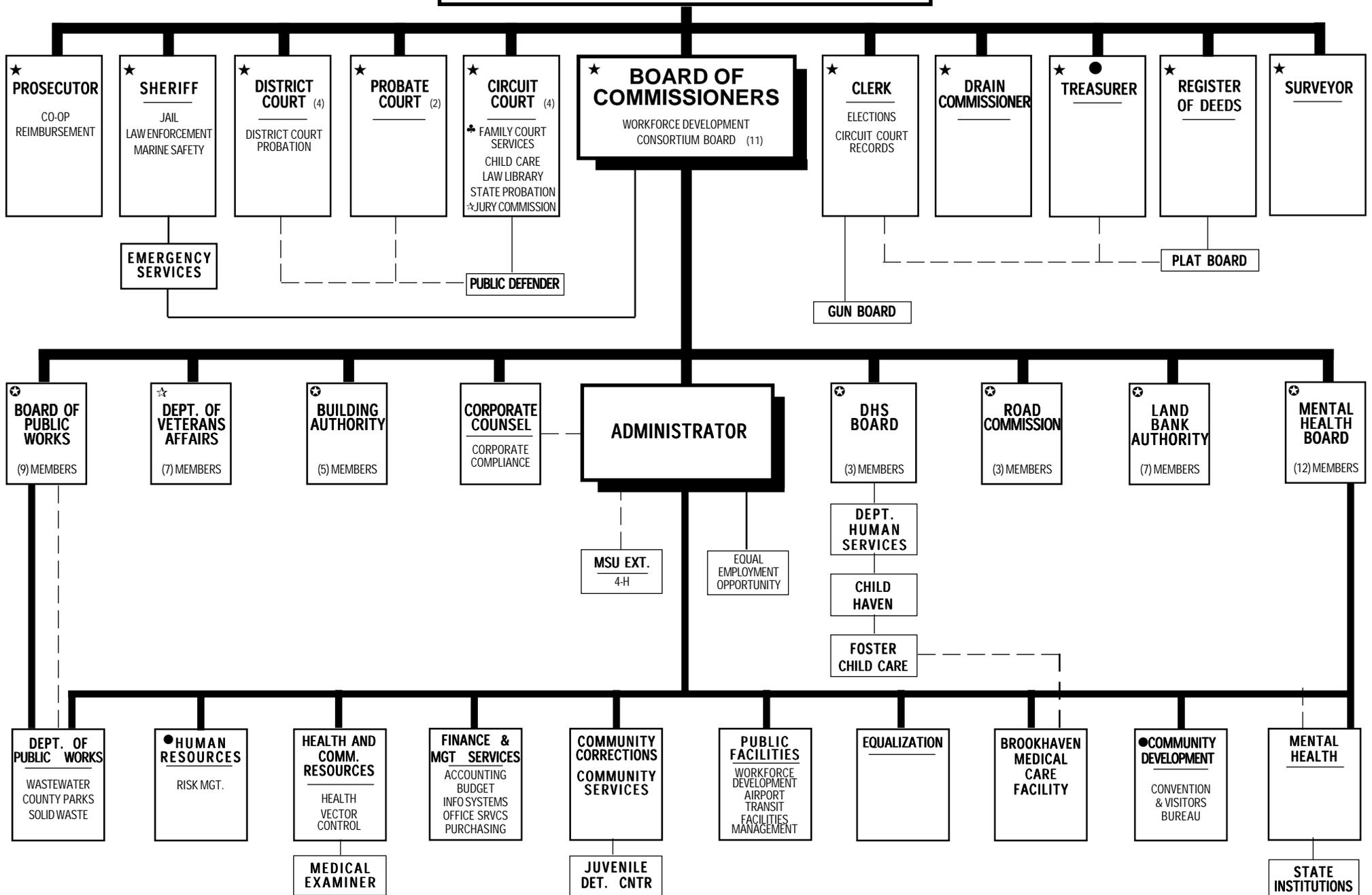


President

Executive Director

# 2009 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, 2009

**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

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

**COUNTY OFFICIALS**

NANCY A. WATERS, COUNTY CLERK  
TONY MOULATSIOTIS, COUNTY TREAS.  
MARK F. FAIRCHILD, REG. OF DEEDS  
DEAN ROESLER, COUNTY SHERIFF

TONY D. TAGUE, PROSECUTOR  
JEFF HEPLER, DRAIN COMMISSIONER  
STEPHEN VALLIER, COUNTY SURVEYOR

**DISTRICT COURT JUDGES**

MICHAEL J. NOLAN  
ANDREW WIERENGO, III

HAROLD F. CLOSZ  
MARIA LADAS HOOPE

**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**

570 Seminole Road, Ste. 200  
Muskegon, MI 49444  
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, 2009, 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, a 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, 2009, 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 30, 2010, 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 99 through 102 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 30, 2010

## 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, 2009. 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 nonmajor 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 nonmajor 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, automotive repair, 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 2008 Delinquent Tax, Airport, Muskegon Area Transit System, 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 nonmajor 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 nonmajor 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

The largest portion of net assets in the County (77%) 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	
	2009	2008	2009	2008	2009	2008
Cash and Investments	\$38,156,987	\$40,078,762	\$22,882,108	\$36,043,564	\$61,039,095	\$76,122,326
Receivables	50,313,607	54,711,794	25,547,949	20,265,052	75,861,556	74,976,846
Other Current Assets	404,747	400,424	1,710,387	1,642,830	2,115,134	2,043,254
Long Term Assets	1,752,694	2,942,096	-	-	1,752,694	2,942,096
Capital Assets	<u>59,793,922</u>	<u>57,648,564</u>	<u>190,708,468</u>	<u>159,017,291</u>	<u>250,502,390</u>	<u>216,665,855</u>
<b>Total Assets</b>	<b>150,421,957</b>	<b>155,781,640</b>	<b>240,848,912</b>	<b>216,968,737</b>	<b>391,270,869</b>	<b>372,750,377</b>
Other Liabilities	22,056,645	19,614,667	17,674,797	16,815,596	39,731,442	36,430,263
Long Term Liabilities	<u>60,509,007</u>	<u>59,493,756</u>	<u>87,978,789</u>	<u>73,656,506</u>	<u>148,487,796</u>	<u>133,150,262</u>
<b>Total Liabilities</b>	<b>82,565,652</b>	<b>79,108,423</b>	<b>105,653,586</b>	<b>90,472,102</b>	<b>188,219,238</b>	<b>169,580,525</b>
Net Assets:						
Investment in capital assets						
net of related debt	40,462,966	41,018,905	117,229,679	97,017,648	157,692,645	138,036,553
Restricted	11,338,914	16,845,343	4,119,147	3,783,286	15,458,061	20,628,629
Unrestricted	<u>16,054,425</u>	<u>18,808,969</u>	<u>13,846,500</u>	<u>25,695,701</u>	<u>29,900,925</u>	<u>44,504,670</u>
<b>Total Net Assets</b>	<b><u>\$67,856,305</u></b>	<b><u>\$76,673,217</u></b>	<b><u>\$135,195,326</u></b>	<b><u>\$126,496,635</u></b>	<b><u>\$203,051,631</u></b>	<b><u>\$203,169,852</u></b>

A portion (8%) of the County's net assets have certain restrictions placed on their use. The remaining balance of unrestricted net assets (\$29,900,925) can be used to meet the County's ongoing obligations to its residents and creditors.

A portion (8%) of the County's net assets have certain restrictions placed on their use. The remaining balance of unrestricted net assets (\$29,900,925) can be used to meet the County's ongoing obligations to its residents and creditors.

A major portion (59%) of the Governmental total assets in the County are in liquid and short term receivables that give us a great ability to meet current obligations of short and long term nature. This ability translates into the freedom to meet changing conditions in the market place as well as changes in the economy of the surrounding area. The strength of our unrestricted net assets shows that we are aware of the ever changing face of government's operations and are prepared to respond to those needs.

**Governmental Activities:**

Governmental activities decreased the County's net assets by (\$8,816,912). This decrease in net assets was primarily due to increases in charges for health service expenses. Other elements of the decrease are as follows:

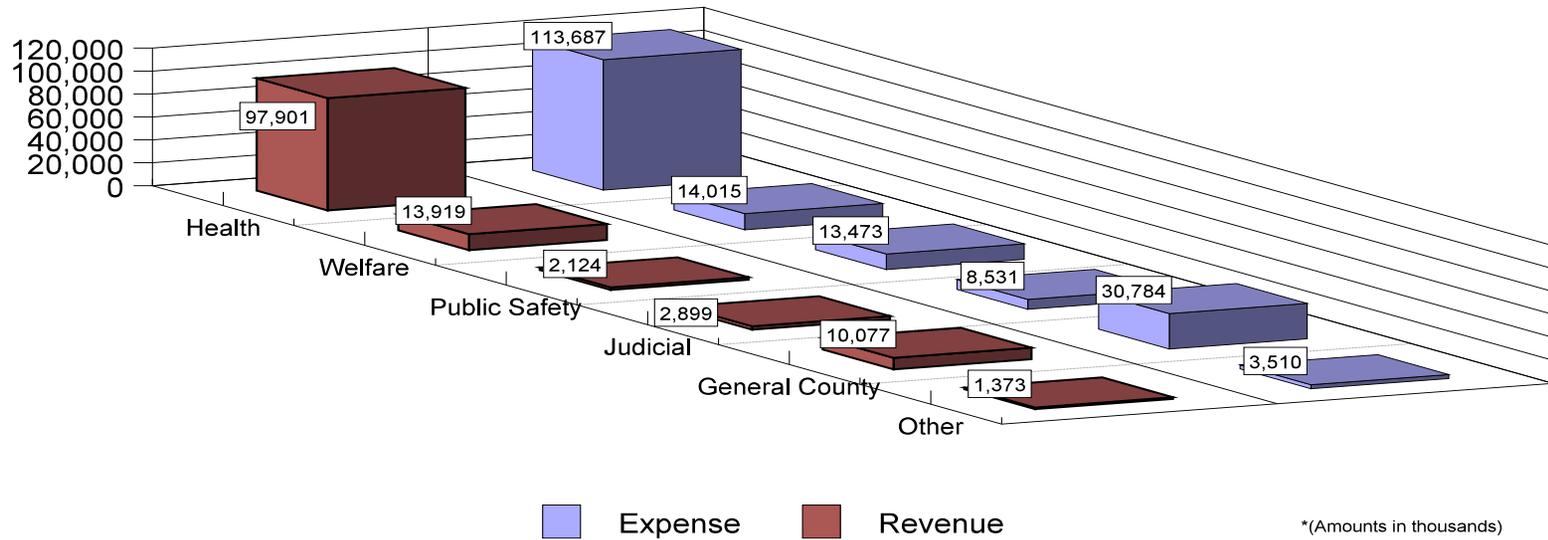
**Muskegon County Changes in Net Assets**

	Governmental Activities 2009	Governmental Activities 2008	Business-type Activities 2009	Business-type Activities 2008	Total 2009	Total 2008
Revenues						
Program Revenues						
Operating Grants and Contributions	\$34,476,040	\$34,958,537	\$4,115,838	\$6,111,455	\$38,591,878	\$41,069,992
Charges for services/Sales	93,816,470	95,054,421	26,182,004	25,086,756	119,998,474	120,141,177
Capital Grants and contribution	-	-	10,165,309	733,720	10,165,309	733,720
General Revenues						
Taxes	28,981,488	29,558,608	-	-	28,981,488	29,558,608
Investment Earnings	1,026,638	1,718,445	783,169	1,515,369	1,809,807	3,233,814
Contributions from private sources	2,360,918	2,036,551	-	-	2,360,918	2,036,551
Other	14,050,779	10,910,300	488,632	190,123	14,539,411	11,100,423
Total Revenues	\$174,712,333	\$174,236,862	\$41,734,952	\$33,637,423	\$216,447,285	\$207,874,285

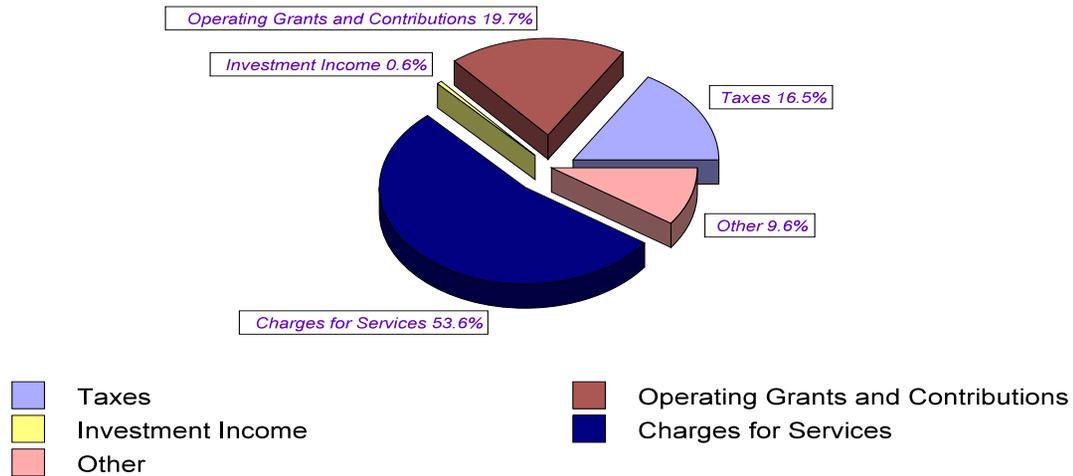
**Muskegon County Changes in Net Assets (continued)**

	Governmental Activities 2009	Governmental Activities 2008	Business-type Activities 2009	Business-type Activities 2008	Total 2009	Total 2008
Expenses						
Legislative	\$469,136	\$430,462	\$ -	\$ -	\$469,136	\$430,462
Judicial	8,530,696	8,437,420	-	-	8,530,696	8,437,420
General County Government	30,783,988	28,034,072	-	-	30,783,988	28,034,072
Public Safety	13,472,974	13,427,767	-	-	13,472,974	13,427,767
Health	113,687,176	108,059,252	-	-	113,687,176	108,059,252
Welfare	14,015,378	12,329,366	-	-	14,015,378	12,329,366
Culture	637,458	328,524	-	-	637,458	328,524
Recreation	857,463	815,114	-	-	857,463	815,114
Other	809,609	1,085,044	-	-	809,609	1,085,044
Debt Service Interest	735,862	873,902	-	-	735,862	873,902
Debt Service Other	714	1,600	-	-	714	1,600
2008/2007 Delinquent Tax Revolving	-	-	154,801	162,850	154,801	162,850
Solid Waste	-	-	-	1,325,046	-	1,325,046
Airport	-	-	2,529,855	2,493,159	2,529,855	2,493,159
Muskegon Area Transit System	-	-	3,314,131	-	3,314,131	-
Northside Water	-	-	4,554,091	3,169,044	4,554,091	3,169,044
Wastewater	-	-	17,162,230	16,531,073	17,162,230	16,531,073
Other proprietary funds	-	-	4,849,944	4,113,322	4,849,944	4,113,322
Total Expenses	<u>184,000,454</u>	<u>173,822,523</u>	<u>32,565,052</u>	<u>27,794,494</u>	<u>216,565,506</u>	<u>201,617,017</u>
Increase (decrease) in net assets before transfers	(9,288,121)	414,339	9,169,900	5,842,929	(118,221)	6,257,268
Transfers	<u>471,209</u>	<u>533,900</u>	<u>(471,209)</u>	<u>(533,900)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	(8,816,912)	948,239	8,698,691	5,309,029	(118,221)	6,257,268
Net Assets - October 1	<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>
Net Assets - September 30	<u><u>\$67,856,305</u></u>	<u><u>\$76,673,217</u></u>	<u><u>\$135,195,326</u></u>	<u><u>\$126,496,635</u></u>	<u><u>\$203,051,631</u></u>	<u><u>\$203,169,852</u></u>

## Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities



- Investment income decreased by \$691,807 (60 percent) during the year. This decrease reflects the drop nation wide in investment rates.
- Health expenses increased by 6% due to construction projects for a new CMH building being started.
- General County Government and Welfare increased by 10% due to increased use of services by the unemployed.

**Business-type activities.** Business-type activities increased the County of Muskegon's net assets by \$8,698,691. A substantial increase in capital grants 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.

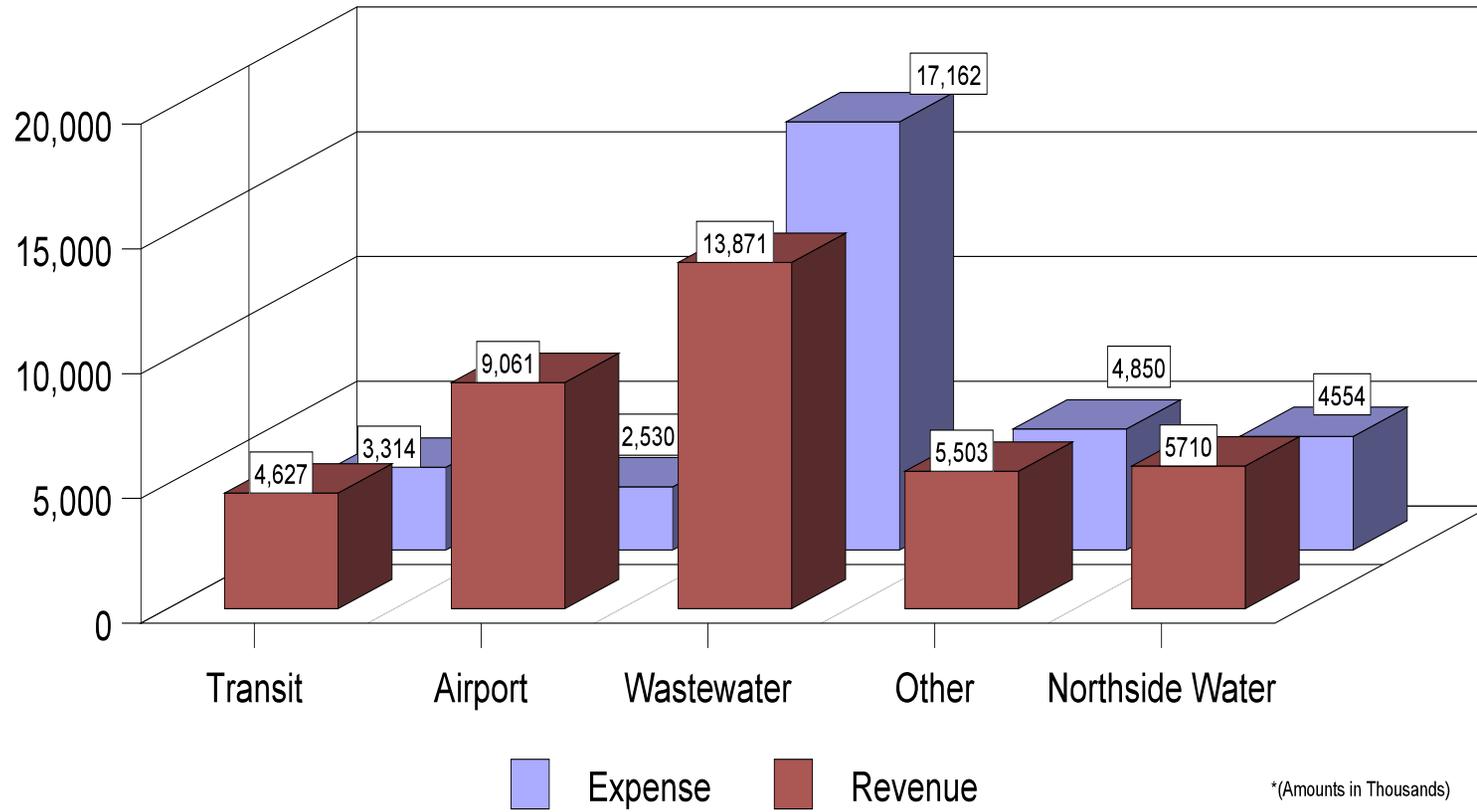
**Governmental funds.** The focus of the County of Muskegon's governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the County of Muskegon's financing requirements. In particular, unreserved fund balance 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 \$30,666,128, an decrease of (\$6,252,274) in comparison with the previous year. Approximately 46% of the fund balance (\$14,311,952) 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 (\$8,102,950), 2) to pay debt service (\$2,685,422), 3) to cover a potential bad debt from a prior capital project (\$1,000,000), 4) to hold for future grant expenditures (\$3,525,253), 5) for perpetual care (\$47,186), 6) for inventory and prepaid items (\$404,747), or, 7) for long term advances to other funds (\$588,618).

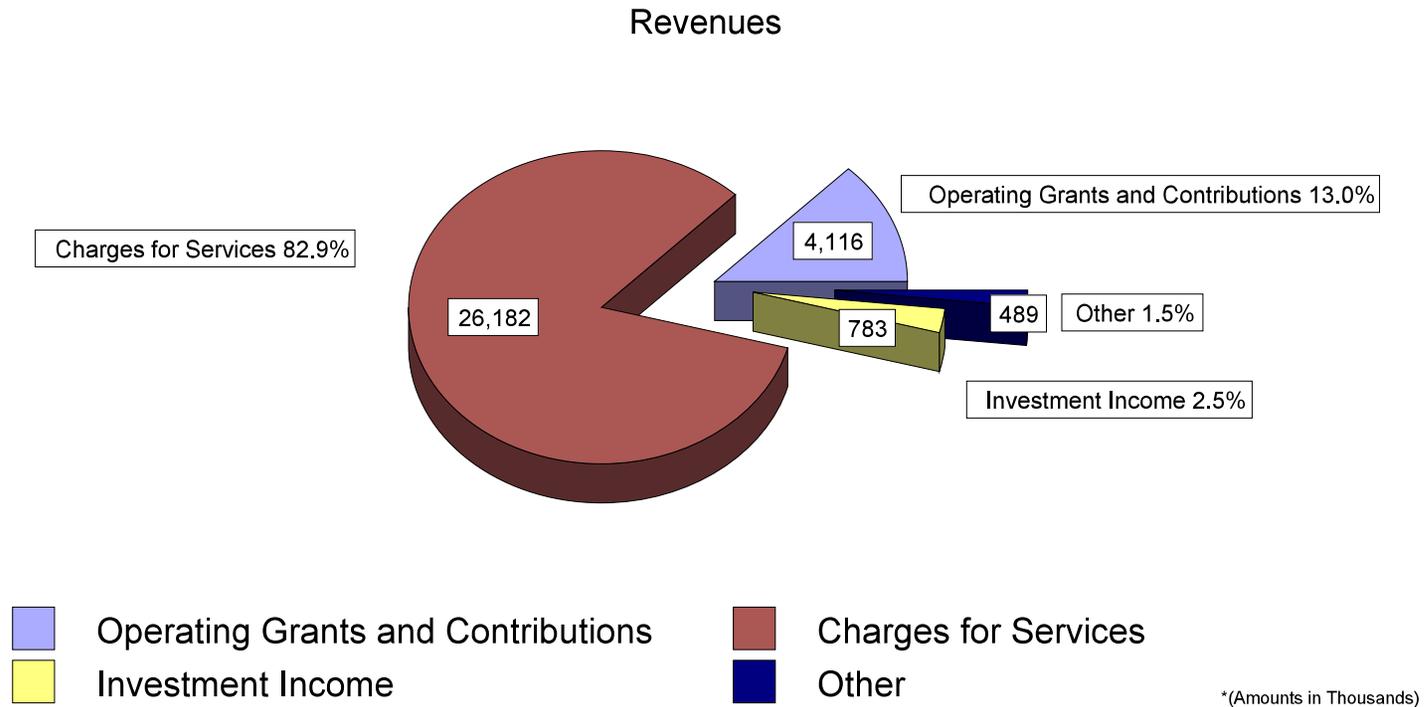
The general fund is the chief operating fund of the County of Muskegon. At the end of the current fiscal year, undesignated fund balance of the general fund was \$8,493,668 while total fund balance was \$9,180,895. As one measure of the general fund's liquidity, it is useful to compare both the unreserved 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 remained the same as a percentage of total expenses.

Major revenues in the other area increased by \$3,140,000 while charges for services decreased \$1,238,000. Interest earnings went down for the second year in a row by \$692,000 with total expenses increasing \$475,000.

## Expenses and Program Revenues - Business-Type Activities



## Revenues by source - Business-Type activities



The debt service funds have a total fund balance of \$2,685,422, all of which is held for debt service payments. The increase in the debt service funds balance of \$661,420 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 \$6,150,000 for a new CMH building and one refunding for a cultural center of \$7,725,000.

**Proprietary funds.** The County of Muskegon proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the County Wastewater system were (\$7,162,302), Airport at \$688,437, Transit system at

\$312,339, and Northside Water at \$5,778,208. The total growth (reduction) in net assets for these four funds was (\$2,815,926), \$8,194,835, \$1,322,790 and \$1,307,969, respectively. The Delinquent Tax fund unrestricted net assets were \$1,537,404 with a net increase of \$1,537,404. 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 District Court revenues (\$260,000) due to the poor economic times.
- Decreases in interest earned (692,000) reflecting the national trend of decreasing interest rates.
- Decreases in Register of Deeds recording fees (\$210,000) because home sales were down significantly.

Budgeted expenditures decreased by approximately \$881,000. The largest decrease was in public safety 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, 2009 amounts to \$250 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 16%.

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

- New detective bureau offices (\$500,000)
- New CMH building (\$4,223,000)
- Airport Runway Construction (\$8,160,000)
- New Transit buses (\$1,730,000)
- Northside Regional water system extension (\$1,076,000)
- Wastewater construction of a new pipeline (\$27,576,000)
- Remodeling for County offices (\$796,000)

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Land	\$4,323,220	\$4,308,220	\$19,886,236	\$19,995,611	\$24,209,456	\$24,303,831
Land Improvements	2,855,767	3,041,452	25,701,062	8,938,222	28,556,829	11,979,674
Lagoons	-	-	6,076,263	6,171,571	6,076,263	6,171,571
Buildings & Improvements	43,869,616	46,676,773	14,824,097	15,680,686	58,693,713	62,357,459
Machinery & Equipment	3,565,711	3,622,119	16,762,653	12,838,808	20,328,364	16,460,927
Wastewater collection and distribution system	-	-	61,056,351	63,869,456	61,056,351	63,869,456
Capitalized interest & engineering	-	-	4,016,194	4,326,864	4,016,194	4,326,864
Construction in progress	5,179,608	-	42,385,612	27,196,073	47,565,220	27,196,073
<b>Total</b>	<b>\$59,793,922</b>	<b>\$57,648,564</b>	<b>\$190,708,468</b>	<b>\$159,017,291</b>	<b>\$250,502,390</b>	<b>\$216,665,855</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 \$141,008,792. Of this amount, \$20,070,000 comprises debt backed by the full faith and credit of the County; \$72,448,792 in revenue bonds backed by the County and participating municipalities; \$33,990,000 special assessment debt partially guaranteed by local municipalities; and finally, \$14,500,000 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>	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$20,070,000	\$16,025,000			\$20,070,000	\$16,025,000
Special Assessment Debt with Governmental Commitment	33,990,000	34,605,000			33,990,000	34,605,000
Revenue Bond			\$72,448,792	\$61,156,506	72,448,792	61,156,506
Delinquent Tax Notes			14,500,000	12,500,000	14,500,000	12,500,000
Total	<u>\$54,060,000</u>	<u>\$50,630,000</u>	<u>\$86,948,792</u>	<u>\$73,656,506</u>	<u>\$141,008,792</u>	<u>\$124,286,506</u>

The County of Muskegon's total bonded debt increased by \$16,722,286 during the current fiscal year. The increase is attributed to normal debt payoffs of \$10,860,000 and the sale of the current year notes and bonds in the amounts of \$11,000,000 and \$16,582,286, 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 a new CMH building, water and sewer expansion and equipment replacement, and to currently refund an existing bond for a cultural center.

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 2009, the ratio is .13% with a bonded debt per capita of \$29.61. The reduction in both these indicators show a trend that has been occurring since 2000 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, 2006 through September, 2009, Muskegon County unemployment rates as compared to national rates were as follows:

	<u>Employment Data</u>							
	<u>2009</u> <u>County</u>	<u>2009</u> <u>USA</u>	<u>2008</u> <u>County</u>	<u>2008</u> <u>USA</u>	<u>2007</u> <u>County</u>	<u>2007</u> <u>USA</u>	<u>2006</u> <u>County</u>	<u>2006</u> <u>USA</u>
October	9.6	6.6	6.7	4.8	6.1	4.4	5.4	4.9
November	10.0	6.8	6.7	4.7	6.6	4.5	6.2	5.0
December	11.6	7.2	7.0	5.0	6.7	4.5	6.2	4.9
January	13.5	7.6	7.5	4.9	7.3	4.6	6.4	4.7
February	14.2	8.1	7.9	4.8	7.5	4.5	7.1	4.8
March	14.9	8.5	7.6	5.1	7.3	4.4	7.2	4.7
April	14.2	8.9	5.5	5.0	6.9	4.5	6.7	4.7
May	15.8	9.4	8.3	5.5	6.9	4.5	6.0	4.6
June	16.8	9.5	8.5	5.5	7.6	4.5	6.5	4.6
July	16.9	9.4	9.9	5.7	8.0	4.6	7.8	4.8
August	16.2	9.7	9.1	6.1	7.1	4.6	6.9	4.7
September	<u>16.0</u>	<u>9.8</u>	<u>9.2</u>	<u>6.1</u>	<u>7.3</u>	<u>4.7</u>	<u>6.9</u>	<u>4.6</u>
Average	<u>14.1</u>	<u>8.5</u>	<u>7.8</u>	<u>5.3</u>	<u>7.1</u>	<u>4.5</u>	<u>6.6</u>	<u>4.8</u>

Muskegon County's unemployment rate has increased compared to 2006. This is attributed to the downturn in the economy nationwide and particularly in Michigan.

## General

The economic climate in Muskegon has continued to be poor. Unemployment has continued to increase above the 2006 level. The County continues its commitment to its citizens by continuing its programs to enhance the quality of life and job creation. These are:

- Continued to replace an aging sewer system to maintain a high quality aquifer for fish and wildlife.
- Continued construction of a new Community Mental Health center to serve Muskegon County residents.
- Expansion of a regional water system to include more outlying areas and a new industrial park.

## 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, 2009*

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business - Type Activities	Total	Road Commission
Cash and cash equivalents	\$ 31,257,718	\$ 18,261,377	\$ 49,519,095	\$ 4,069,543
Investments	6,899,269	4,620,731	11,520,000	-
Receivables				
Accounts	6,960,244	2,798,943	9,759,187	-
Intergovernmental	8,432,520	2,461,230	10,893,750	2,385,967
Accrued interest	181,038	43,406	224,444	-
Current taxes	8,990,771	6,945,727	15,936,498	-
Delinquent taxes	-	6,207,807	6,207,807	-
Interest and penalties on delinquent taxes	-	1,851,650	1,851,650	-
Special assessments	30,982,195	-	30,982,195	-
Other	6,025	-	6,025	211,357
Prepaid Items	277,295	-	277,295	155,870
Prepaid expenses	-	415	415	-
Internal balances	(5,239,186)	5,239,186	-	-
Inventories	127,452	48,429	175,881	1,387,073
Restricted assets	-	1,661,543	1,661,543	152,246
Long-term note receivable	1,752,694	-	1,752,694	-
Land	4,323,220	19,886,236	24,209,456	23,661,888
Construction in progress	5,179,608	42,385,612	47,565,220	90,420
Capital Assets, net of accumulated depreciation	50,291,094	128,436,620	178,727,714	40,655,936
	<u>\$ 150,421,957</u>	<u>\$ 240,848,912</u>	<u>\$ 391,270,869</u>	<u>\$ 72,770,300</u>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Net Assets  
September 30, 2009*

	<u>Governmental</u>	<u>Primary Government</u>		<u>Component Unit</u>
	<u>Activities</u>	<u>Business - Type</u>	<u>Total</u>	<u>Road</u>
		<u>Activities</u>		<u>Commission</u>
<b>LIABILITIES</b>				
Payables				
Accounts	\$ 10,066,437	\$ 7,615,504	\$ 17,681,941	\$ 824,554
Intergovernmental	2,174,907	-	2,174,907	-
Advances	-	-	-	458,468
Accrued liabilities	9,735,434	10,059,293	19,794,727	104,519
Unearned revenue	79,867	-	79,867	53,777
Long-term debt				
Due within one year	9,490,000	16,145,000	25,635,000	475,000
Due in more than one year	51,019,007	71,833,789	122,852,796	1,019,479
Total liabilities	<u>\$ 82,565,652</u>	<u>\$ 105,653,586</u>	<u>\$ 188,219,238</u>	<u>\$ 2,935,797</u>
<b>NET ASSETS</b>				
Investment in capital assets net of related debt	\$40,462,966	\$ 117,229,679	\$ 157,692,645	\$ 63,294,233
Restricted for:				
Special Revenue - Grant programs and other activities	503,356	-	503,356	6,540,270
Closure Costs	-	4,119,147	4,119,147	-
Capital Projects	8,102,950	-	8,102,950	-
Debt Service	2,685,422	-	2,685,422	-
Permanent Fund - expendable	10,467	-	10,467	-
Permanent Fund - nonexpendable	36,719	-	36,719	-
Unrestricted	16,054,425	13,846,500	29,900,925	-
Total Net Assets	<u>\$ 67,856,305</u>	<u>\$ 135,195,326</u>	<u>\$ 203,051,631</u>	<u>\$ 69,834,503</u>

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Activities

For the Year Ended September 30, 2009

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government		Road Commission	
						Governmental	Business-Type Activities	Total	
<b>Primary Government:</b>									
<b>Governmental Activities</b>									
Legislative	\$ 469,136	\$ -	\$ -	\$ -	\$ -	(\$ 469,136)	\$ -	(\$ 469,136)	\$ -
Judicial	8,530,696	2,715,523	183,181	-	2,898,704	(5,631,992)	-	(5,631,992)	-
General County Government	30,783,988	5,307,671	4,769,215	-	10,076,886	(20,707,102)	-	(20,707,102)	-
Public Safety	13,472,974	797,154	1,326,664	-	2,123,818	(11,349,156)	-	(11,349,156)	-
Health	113,687,176	83,647,754	14,252,788	-	97,900,542	(15,786,634)	-	(15,786,634)	-
Welfare	14,015,378	-	13,918,663	-	13,918,663	(96,715)	-	(96,715)	-
Culture	637,458	-	84,560	-	84,560	(552,898)	-	(552,898)	-
Recreation	857,463	694,271	(89,998)	-	604,273	(253,190)	-	(253,190)	-
Other	809,609	654,097	30,967	-	685,064	(124,545)	-	(124,545)	-
<b>Debt Service</b>									
Interest	735,862	-	-	-	-	(735,862)	-	(735,862)	-
Other	714	-	-	-	-	(714)	-	(714)	-
<b>Total Governmental Activities</b>	<b>184,000,454</b>	<b>93,816,470</b>	<b>34,476,040</b>	<b>-</b>	<b>128,292,510</b>	<b>(55,707,944)</b>	<b>-</b>	<b>(55,707,944)</b>	<b>-</b>
<b>Business-Type Activities:</b>									
2008 Delinquent Tax Revolving (5168)	154,801	1,691,909	-	-	1,691,909	-	1,537,108	1,537,108	-
Airport (5810)	2,529,855	1,104,619	-	7,956,658	9,061,277	-	6,531,422	6,531,422	-
Muskegon Area Transit System (5880)	3,314,131	591,780	2,198,796	1,836,003	4,626,579	-	1,312,448	1,312,448	-
Northside Water (5910)	4,554,091	3,475,176	1,862,139	372,648	5,709,963	-	1,155,872	1,155,872	-
Wastewater (5920)	17,162,230	13,815,674	54,903	-	13,870,577	-	(3,291,653)	(3,291,653)	-
Other Proprietary Funds	4,849,944	5,502,846	-	-	5,502,846	-	652,902	652,902	-
<b>Total Business-Type Activities</b>	<b>32,565,052</b>	<b>26,182,004</b>	<b>4,115,838</b>	<b>10,165,309</b>	<b>40,463,151</b>	<b>-</b>	<b>7,898,099</b>	<b>7,898,099</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 216,565,506</b>	<b>\$ 119,998,474</b>	<b>\$ 38,591,878</b>	<b>\$ 10,165,309</b>	<b>\$ 168,755,661</b>	<b>(55,707,944)</b>	<b>7,898,099</b>	<b>(47,809,845)</b>	<b>-</b>
<b>Component Unit:</b>									
Muskegon County Road Commission	<u>\$13,566,273</u>	<u>\$3,098,789</u>	<u>\$8,825,081</u>	<u>\$6,364,888</u>	<u>\$18,288,758</u>				<u>\$ 4,722,485</u>
<b>General Revenues:</b>									
Property Taxes						28,981,488	-	28,981,488	-
Investment Earnings						1,026,638	783,169	1,809,807	71,767
Gain on Disposal of Assets						-	-	-	3,000
Donations (unrestricted)						2,360,918	-	2,360,918	-
Other						14,050,779	488,632	14,539,411	74,061
Transfers						471,209	(471,209)	-	-
<b>Total General Revenues and Transfers</b>						<b>46,891,032</b>	<b>800,592</b>	<b>47,691,624</b>	<b>148,828</b>
<b>Change in Net Assets</b>						<b>(8,816,912)</b>	<b>8,698,691</b>	<b>(118,221)</b>	<b>4,871,313</b>
<b>Net Assets - Beginning of Year</b>						<b>76,673,217</b>	<b>126,496,635</b>	<b>203,169,852</b>	<b>64,963,190</b>
<b>Net Assets - End of Year</b>						<b>\$ 67,856,305</b>	<b>\$ 135,195,326</b>	<b>\$ 203,051,631</b>	<b>\$ 69,834,503</b>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Balance Sheet*

*Governmental Funds*

*September 30, 2009*

	General	Community	Water	Other	Total
	(1010)	Mental Health	and Sewer	Governmental	Governmental
ASSETS		(2220)	Debt	Funds	Funds
		(3650)			
Cash and cash equivalents	\$ 408,624	\$ 3,513,302	\$ 1,926,756	\$ 15,527,571	\$ 21,376,253
Investments	80,510	864,367	642,252	2,018,319	3,605,448
Receivables					
Accounts	470,271	1,338,113	1,507,178	3,484,486	6,800,048
Intergovernmental	512,364	-	-	7,920,156	8,432,520
Accrued interest	155,646	4,652	290	11,798	172,386
Special assessments	-	-	30,955,000	27,195	30,982,195
Current taxes	8,990,771	-	-	-	8,990,771
Other	6,025	-	-	-	6,025
Prepaid Items	-	219,152	-	58,143	277,295
Due from other funds	6,832,888	-	-	-	6,832,888
Inventories	-	-	-	127,452	127,452
Long-term advances to other funds	588,618	-	-	-	588,618
Long-term note receivable	-	-	-	1,000,000	1,000,000
	<u>\$ 18,045,717</u>	<u>\$ 5,939,586</u>	<u>\$ 35,031,476</u>	<u>\$ 30,175,120</u>	<u>\$ 89,191,899</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, 2009

	General (1010)	Community Mental Health (2220)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>					
Payables					
Accounts	\$ 513,144	\$ 2,211,168	\$ -	\$ 4,997,057	\$ 7,721,369
Intergovernmental	-	742,086	1,001,707	431,114	2,174,907
Accrued liabilities	1,351,678	934,625	-	1,894,167	4,180,470
Due to other funds	7,000,000	-	-	5,922,658	12,922,658
Long-term advances from other funds	-	-	-	21,500	21,500
Deferred revenue	-	50,000	31,425,000	29,867	31,504,867
<b>Total liabilities</b>	<b>\$ 8,864,822</b>	<b>\$ 3,937,879</b>	<b>\$ 32,426,707</b>	<b>\$ 13,296,363</b>	<b>\$ 58,525,771</b>
Fund Balances					
Reserved for long-term advances to other funds	\$ 588,618	\$ -	\$ -	\$ -	\$ 588,618
Reserved for long-term note receivable	-	-	-	1,000,000	1,000,000
Reserved for prepaids/inventory	-	219,152	-	185,595	404,747
Unreserved					
Capital Projects	-	-	-	8,102,950	8,102,950
Grant programs, contracts and other activities	98,609	-	-	-	98,609
Special Revenue	-	1,782,555	-	1,644,089	3,426,644
Debt Service	-	-	2,604,769	80,653	2,685,422
Permanent Funds - expendable	-	-	-	10,467	10,467
Permanent Funds - nonexpendable	-	-	-	36,719	36,719
Undesignated - General Fund	8,493,668	-	-	-	8,493,668
Undesignated - Special Revenue	-	-	-	5,818,284	5,818,284
<b>Total Fund Balances</b>	<b>9,180,895</b>	<b>2,001,707</b>	<b>2,604,769</b>	<b>16,878,757</b>	<b>30,666,128</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 18,045,717</b>	<b>\$ 5,939,586</b>	<b>\$ 35,031,476</b>	<b>\$ 30,175,120</b>	

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

Capital assets used for governmental activities are not  
current financial resources and therefore are not reported in  
the Governmental Funds Balance Sheet. 55,956,610

Internal Service Funds are used by management to charge the costs of certain  
activities, such as insurance and equipment leasing to individual funds.  
The assets and liabilities of the Internal Service Funds are included in the  
governmental activities in the Government-wide Statement of Net Assets 9,473,923

Deferred revenue in Debt Service is recognized on the full accrual basis in the  
Government Wide Financial Statements 31,425,000

Long term liabilities are not due and payable in the current period and therefore  
they are not reported in the Governmental Funds Balance Sheet (59,665,356)

Net Assets of Governmental Activities \$ 67,856,305

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, 2009*

	General (1010)	Community Mental Health (2220)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 26,855,500	\$ -	\$ -	\$ 2,125,988	\$ 28,981,488
Licenses and permits	33,331	-	-	819,640	852,971
Operating grants and contributions	2,331,411	6,344,142	-	25,800,487	34,476,040
Charges for services	7,968,424	67,237,860	-	16,165,589	91,371,873
Fines and forfeitures	602,978	-	-	7,229	610,207
Investment income	377,853	96,773	1,441	318,340	794,407
Rentals	198,363	-	-	783,056	981,419
Special assessments	-	-	3,125,000	-	3,125,000
Contributions from private sources	-	2,350,773	-	10,145	2,360,918
Other	898,669	107,650	-	4,377,734	5,384,053
<b>Total revenues</b>	<b>39,266,529</b>	<b>76,137,198</b>	<b>3,126,441</b>	<b>50,408,208</b>	<b>168,938,376</b>
<b>Expenditures</b>					
<b>Current operations</b>					
Legislative	469,136	-	-	-	469,136
Judicial	7,109,157	-	-	1,394,033	8,503,190
General County government	13,648,124	-	-	4,863,312	18,511,436
Public safety	11,378,114	-	-	1,902,926	13,281,040
Health	-	76,521,852	-	37,104,314	113,626,166
Welfare	-	-	-	13,920,901	13,920,901
Culture	164,175	-	-	472,668	636,843
Recreation	-	-	-	653,411	653,411
Other	536,549	-	-	273,060	809,609
Capital outlay	17,520	49,820	-	5,808,374	5,875,714
<b>Debt service</b>					
Principal payments	-	-	615,000	10,860,000	11,475,000
Interest	-	-	-	735,862	735,862
Other	-	-	714	-	714
<b>Total expenditures</b>	<b>33,322,775</b>	<b>76,571,672</b>	<b>615,714</b>	<b>77,988,861</b>	<b>188,499,022</b>
<b>Revenues over (under) expenditures</b>	<b>5,943,754</b>	<b>(434,474)</b>	<b>2,510,727</b>	<b>(27,580,653)</b>	<b>(19,560,646)</b>
<b>Other financing sources (uses)</b>					
Sales of Capital Assets	-	22,080	-	3,677	25,757
Transfers in	6,207,422	670,140	-	10,716,853	17,594,415
Refunded bonds	-	-	-	7,725,000	7,725,000
Bond Issuance	-	-	-	6,150,000	6,150,000
Transfers (out)	(12,038,654)	-	-	(6,148,147)	(18,186,801)
	<b>(5,831,232)</b>	<b>692,220</b>	<b>-</b>	<b>18,447,383</b>	<b>13,308,371</b>
<b>Net change in fund balance</b>	<b>112,522</b>	<b>257,746</b>	<b>2,510,727</b>	<b>(9,133,270)</b>	<b>(6,252,275)</b>
<b>Fund balance at beginning of year</b>	<b>9,068,373</b>	<b>1,743,961</b>	<b>94,042</b>	<b>26,012,027</b>	<b>36,918,403</b>
<b>Fund balance at end of year</b>	<b>\$ 9,180,895</b>	<b>\$ 2,001,707</b>	<b>\$ 2,604,769</b>	<b>\$ 16,878,757</b>	<b>\$ 30,666,128</b>

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, 2009**

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

Net Change in fund balances - total governmental funds	(\$ 6,252,275)
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	3,815,447
The repayment of long term debt consumes current financial resources but does not effect net assets	11,475,000
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	(1,813,651)
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	(3,125,000)
Recognition of special assessment revenue with the issuance of special assessment debt	0
The issuance of long term debt provides current financial resources but does not affect net assets	(13,875,000)
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	(68,355)
Due from other funds in the General Fund for cash deficits	910,230
Due to General Fund and proprietary funds in Governmental funds	0
Due to Proprietary funds from Governmental funds for cash deficits	(910,230)
Due from General Fund in Proprietary funds	7,000,000
Due to other funds in the General Fund	(7,000,000)
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	850,584
Long term advances from Internal Service funds	(850,584)
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>1,026,922</u>
Change in net assets of governmental activities	<u><u>(\$ 8,816,912)</u></u>

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

County of Muskegon

Statement of Net Assets  
 Proprietary Funds  
 September 30, 2009

ASSETS	2008 Delinquent Tax Revolving (5168)	Airport (5810)	Muskegon Area Transit System (5880)	Northside Water (5910)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>CURRENT ASSETS</b>								
Cash and cash equivalents	\$ 1,266,143	\$ 1,863,547	\$ 346,167	\$ 2,954,105	\$ -	\$ 11,831,415	\$ 18,261,377	\$ 9,881,465
Investments	422,048	578,720	115,389	984,702	-	2,519,872	4,620,731	3,293,821
Receivables								
Accounts	-	86,888	36,046	585,353	1,594,612	496,044	2,798,943	160,196
Intergovernmental	-	-	128,473	2,332,757	-	-	2,461,230	-
Accrued interest	296	1,215	188	3,678	5,166	32,863	43,406	8,652
Current taxes	4,454,000	-	-	-	-	2,491,727	6,945,727	-
Current portion of interest and penalties on delinquent taxes	489,940	-	-	-	-	587,167	1,077,107	-
Due from other funds	-	-	-	-	-	7,000,000	7,000,000	-
Prepaid expenses	-	-	-	-	-	415	415	-
Inventories	-	-	-	-	43,801	4,628	48,429	-
Restricted Assets	-	-	-	-	-	1,661,543	1,661,543	-
Total current assets	<u>6,632,427</u>	<u>2,530,370</u>	<u>626,263</u>	<u>6,860,595</u>	<u>1,643,579</u>	<u>26,625,674</u>	<u>44,918,908</u>	<u>13,344,134</u>
<b>NONCURRENT ASSETS</b>								
Long-term advances to other funds	-	-	-	-	-	798,214	798,214	850,584
Long-term note receivable	-	-	-	-	-	-	-	752,694
Delinquent taxes receivable	5,443,778	-	-	-	-	764,029	6,207,807	-
Interest and penalties on delinquent taxes	598,816	-	-	-	-	175,727	774,543	-
Land	-	11,224,701	199,487	-	7,552,419	909,629	19,886,236	459,908
Construction in progress	-	-	216,972	285,485	41,883,155	-	42,385,612	-
Property and equipment at cost, net of accumulated depreciation	-	17,612,964	6,999,411	17,737,790	79,720,452	6,366,003	128,436,620	3,377,404
Total noncurrent assets	<u>6,042,594</u>	<u>28,837,665</u>	<u>7,415,870</u>	<u>18,023,275</u>	<u>129,156,026</u>	<u>9,013,602</u>	<u>198,489,032</u>	<u>5,440,590</u>
Total assets	<u>\$ 12,675,021</u>	<u>\$ 31,368,035</u>	<u>\$ 8,042,133</u>	<u>\$ 24,883,870</u>	<u>\$ 130,799,605</u>	<u>\$ 35,639,276</u>	<u>\$ 243,407,940</u>	<u>\$ 18,784,724</u>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

County of Muskegon

Statement of Net Assets  
 Proprietary Funds  
 September 30, 2009

	2008 Delinquent Tax Revolving (5168)	Airport (5810)	Muskegon Area Transit System (5880)	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	\$ -	\$ 184,955	\$ 26,738	\$ 737,511	\$ 6,525,602	\$ 140,698	\$ 7,615,504	\$ 2,345,068
Accrued liabilities	-	293,374	287,186	43,370	1,274,239	177,962	2,076,131	1,455,886
Due to other funds	-	-	-	-	892,928	17,302	910,230	-
Current portion of accrued closure costs	-	-	-	-	-	196,241	196,241	-
Accrued interest	137,617	14,806	-	301,506	113,112	-	567,041	-
Current portion of tax anticipation notes payable	7,500,000	-	-	-	-	3,500,000	11,000,000	-
Long-term debt payable in less than one year	-	1,030,000	-	440,000	3,675,000	-	5,145,000	754,000
<b>Total current liabilities</b>	<b>7,637,617</b>	<b>1,523,135</b>	<b>313,924</b>	<b>1,522,387</b>	<b>12,480,881</b>	<b>4,032,203</b>	<b>27,510,147</b>	<b>4,554,954</b>
<b>NONCURRENT LIABILITIES</b>								
Notes payable	3,500,000	-	-	-	-	-	3,500,000	-
Accrued closure costs	-	-	-	-	-	7,219,880	7,219,880	-
Accrued liabilities	-	-	-	-	-	-	-	4,099,078
Long-term advances from other funds	-	1,348,798	-	-	-	300,000	1,648,798	567,118
Long-term debt due in more than one year	-	-	-	16,125,000	52,208,789	-	68,333,789	89,651
<b>Total noncurrent liabilities</b>	<b>3,500,000</b>	<b>1,348,798</b>	<b>-</b>	<b>16,125,000</b>	<b>52,208,789</b>	<b>7,519,880</b>	<b>80,702,467</b>	<b>4,755,847</b>
<b>Total liabilities</b>	<b>11,137,617</b>	<b>2,871,933</b>	<b>313,924</b>	<b>17,647,387</b>	<b>64,689,670</b>	<b>11,552,083</b>	<b>108,212,614</b>	<b>9,310,801</b>
<b>NET ASSETS</b>								
Invested in Capital Assets, Net of related debt	-	27,807,665	7,415,870	1,458,275	73,272,237	7,275,632	117,229,679	3,747,661
Restricted for cell closure	-	-	-	-	-	4,119,147	4,119,147	-
Unrestricted	1,537,404	688,437	312,339	5,778,208	(7,162,302)	12,692,414	13,846,500	5,726,262
<b>Total Net Assets</b>	<b>\$ 1,537,404</b>	<b>\$ 28,496,102</b>	<b>\$ 7,728,209</b>	<b>\$ 7,236,483</b>	<b>\$ 66,109,935</b>	<b>\$ 24,087,193</b>	<b>\$ 135,195,326</b>	<b>\$ 9,473,923</b>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

County of Muskegon

Statement of Revenues, Expenses and Changes in Fund Net Assets  
 Proprietary Funds  
 For the Year ended September 30, 2009

	2008 Delinquent Tax Revolving (5168)	Airport (5810)	Muskegon Area Transit System (5880)	Northside Water (5910)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>Operating revenues</b>								
Charges for services	\$ -	\$ 1,104,619	\$ 591,780	\$ 3,475,176	\$ 11,961,613	\$ 4,331,802	\$ 21,464,990	\$ -
Farm sales	-	-	-	-	1,854,061	-	1,854,061	-
Interest and penalties on delinquent taxes	1,691,909	-	-	-	-	1,171,044	2,862,953	-
Premiums	-	-	-	-	-	-	-	18,732,899
Rents	-	-	-	-	-	-	-	1,715,406
Other	-	12,623	1,175	34,298	276,344	34,530	358,970	6,683,409
	<u>1,691,909</u>	<u>1,117,242</u>	<u>592,955</u>	<u>3,509,474</u>	<u>14,092,018</u>	<u>5,537,376</u>	<u>26,540,974</u>	<u>27,131,714</u>
<b>Operating expenses</b>								
Salaries and fringe benefits	-	887,019	1,930,577	209,197	4,473,923	881,460	8,382,176	1,269,021
Supplies and other operating expenses	17,184	906,152	817,448	3,462,303	7,077,500	2,914,859	15,195,446	1,561,977
Insurance benefits and claims	-	-	-	-	-	-	-	1,502,665
Insurance premiums	-	-	-	-	-	-	-	22,244,590
Interest expense	137,617	-	464	-	-	282,738	420,819	71,066
Depreciation and amortization	-	649,294	565,642	174,131	4,317,455	731,674	6,438,196	920,965
	<u>154,801</u>	<u>2,442,465</u>	<u>3,314,131</u>	<u>3,845,631</u>	<u>15,868,878</u>	<u>4,810,731</u>	<u>30,436,637</u>	<u>27,570,284</u>
Operating income (loss)	<u>1,537,108</u>	<u>(1,325,223)</u>	<u>(2,721,176)</u>	<u>(336,157)</u>	<u>(1,776,860)</u>	<u>726,645</u>	<u>(3,895,663)</u>	<u>(438,570)</u>
<b>Non Operating revenues (expenses)</b>								
Operating subsidies	-	-	2,198,796	1,862,139	54,903	-	4,115,838	-
Interest income	296	31,950	4,422	117,799	184,207	444,495	783,169	232,231
Interest expense	-	(87,390)	-	(708,460)	(1,293,352)	(39,213)	(2,128,415)	-
Other	-	57,075	4,745	-	15,176	52,666	129,662	169,666
	<u>296</u>	<u>1,635</u>	<u>2,207,963</u>	<u>1,271,478</u>	<u>(1,039,066)</u>	<u>457,948</u>	<u>2,900,254</u>	<u>401,897</u>
Income (loss) before operating transfers and capital contributions	<u>1,537,404</u>	<u>(1,323,588)</u>	<u>(513,213)</u>	<u>935,321</u>	<u>(2,815,926)</u>	<u>1,184,593</u>	<u>(995,409)</u>	<u>(36,673)</u>
Capital contributions	-	7,956,658	1,836,003	372,648	-	-	10,165,309	-
Transfers in	-	1,561,765	-	-	-	8,607,086	10,168,851	1,182,595
Transfers (out)	-	-	-	-	-	(10,640,060)	(10,640,060)	(119,000)
	<u>-</u>	<u>9,518,423</u>	<u>1,836,003</u>	<u>372,648</u>	<u>-</u>	<u>(2,032,974)</u>	<u>9,694,100</u>	<u>1,063,595</u>
Change in Net Assets	<u>1,537,404</u>	<u>8,194,835</u>	<u>1,322,790</u>	<u>1,307,969</u>	<u>(2,815,926)</u>	<u>(848,381)</u>	<u>8,698,691</u>	<u>1,026,922</u>
Net Assets at beginning of year	-	20,301,267	6,405,419	5,928,514	68,925,861	24,935,574	126,496,635	8,447,001
Net Assets at end of year	<u>\$ 1,537,404</u>	<u>\$ 28,496,102</u>	<u>\$ 7,728,209</u>	<u>\$ 7,236,483</u>	<u>\$ 66,109,935</u>	<u>\$ 24,087,193</u>	<u>\$ 135,195,326</u>	<u>\$ 9,473,923</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, 2009

	2008 Delinquent Tax Revolving (5168)	Airport (5810)	Muskegon Area Transit System (5880)	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	\$ 1,691,909	\$ 1,183,473	\$ 580,999	\$ 2,125,886	\$ 14,844,673	\$ 5,479,286	\$ 25,906,226	\$ 464,180
Cash Received from other funds	-	-	-	-	-	-	-	26,528,038
Cash Payments to Suppliers of Goods and Services	(17,184)	(828,390)	(860,384)	(4,236,316)	(4,336,191)	(4,471,369)	(14,749,834)	(24,920,642)
Interest Paid	(137,617)	-	(464)	-	-	(381,904)	(519,985)	-
Cash Payments to Employees for Services	-	(746,376)	(1,963,548)	(211,142)	(4,264,087)	(899,658)	(8,084,811)	(1,264,963)
Tax collections	8,228,349	-	-	-	-	-	8,228,349	-
Delinquent tax payments to municipalities	(8,090,732)	-	-	-	-	-	(8,090,732)	-
Other receipts	-	-	-	34,298	276,344	(20,931)	289,711	-
Net cash provided by (used for) Operating Activities	1,674,725	(391,293)	(2,243,397)	(2,287,274)	6,520,739	(294,576)	2,978,924	806,613
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Advances from (to) other funds	-	(339,980)	-	-	-	(7,498,214)	(7,838,194)	-
Tax Collections	13,466	-	-	-	-	13,704,426	13,717,892	-
Note Proceeds	11,000,000	-	-	-	-	-	11,000,000	-
Tax payments to municipalities	(11,000,000)	-	-	-	-	-	(11,000,000)	-
Increase in Investments	-	-	-	-	-	(9,682)	(9,682)	-
Interest paid	-	-	-	-	-	(1,468)	(1,468)	-
Operating Subsidies from Grants	-	-	2,333,637	1,319,812	54,903	-	3,708,352	-
Transfers (out)	-	-	-	-	-	(10,640,060)	(10,640,060)	(119,000)
Transfers in	-	1,357,748	-	542,327	-	8,607,086	10,507,161	1,182,595
Sales of non-capitalized assets	-	-	4,745	-	15,176	-	19,921	15,420
Note payments	-	-	-	-	-	(9,000,000)	(9,000,000)	-
Net cash provided by (used for) noncapital financing activities	13,466	1,017,768	2,338,382	1,862,139	70,079	(4,837,912)	463,922	1,079,015
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Bond and Note Issuance	-	-	-	-	15,477,283	-	15,477,283	-
Principal payments on long term debt	-	(225,000)	-	(430,000)	(2,315,000)	(185,000)	(3,155,000)	(1,453,104)
Principal received (paid) on long term advances	-	-	-	-	-	-	-	50,000
Interest expense and agent fees	-	(90,219)	-	(715,179)	(1,300,798)	(42,562)	(2,148,758)	-
Purchase of capital assets	-	(8,160,675)	(1,750,660)	(73,784)	(847,437)	(250,350)	(11,082,906)	(910,281)
Construction in progress	-	-	(85,343)	(285,485)	(26,719,845)	-	(27,090,673)	-
Sale of capital assets	-	57,075	-	-	44,207	52,666	153,948	-
Capital contributions and grants	-	8,160,675	1,836,003	372,648	-	-	10,369,326	-
Net cash used for capital and related financing activities	-	(258,144)	-	(1,131,800)	(15,661,590)	(425,246)	(17,476,780)	(2,313,385)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>								
Payments received on note receivable	-	-	-	-	-	-	-	1,139,401
Proceeds from sales and maturities of investments	1,723,094	3,761,559	680,870	7,134,466	6,926,968	29,832,495	50,059,452	9,306,024
Purchase of investments	(2,145,142)	(3,157,283)	(586,488)	(5,004,943)	-	(20,045,177)	(30,939,033)	(5,579,733)
Interest received from investment pool	-	34,087	4,897	126,388	221,323	489,780	876,475	258,603
Net cash provided by investing activities	(\$ 422,048)	\$ 638,363	\$ 99,279	\$ 2,255,911	\$ 7,148,291	\$ 10,277,098	\$ 19,996,894	\$ 5,124,295

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, 2009

	2008 Delinquent Tax Revolving (5168)	Airport (5810)	Muskegon Area Transit System (5880)	Northside Water (5910)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 1,266,143	\$ 1,006,694	\$ 194,264	\$ 698,976	(\$ 1,922,481)	\$ 4,719,364	\$ 5,962,960	\$ 4,696,538
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	-	856,853	151,903	2,255,129	1,922,481	7,112,051	12,298,417	5,184,927
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,266,143	\$ 1,863,547	\$ 346,167	\$ 2,954,105	\$ -	\$ 11,831,415	\$ 18,261,377	\$ 9,881,465
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES								
Operating income (loss)	\$ 1,537,108	(\$ 1,325,223)	(\$ 2,721,176)	(\$ 336,157)	(\$ 1,776,860)	\$ 726,645	(\$ 3,895,663)	(\$ 438,570)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation expense	-	649,294	565,642	174,131	4,317,455	731,674	6,438,196	920,965
Changes in Assets and Liabilities:								
(Increase) decrease in accounts receivable	-	66,231	(11,956)	(136,003)	136,071	(128,348)	(74,005)	(139,496)
(Increase) decrease in intergovernmental receivable	-	-	-	(1,213,287)	-	-	(1,213,287)	-
(Increase) decrease in inventory	-	-	-	-	(4,088)	2,614	(1,474)	-
Increase (decrease) in accounts payable	-	77,762	(42,936)	(774,013)	2,745,397	(461,747)	1,544,463	391,628
(Increase) decrease in prepaid expenses	-	-	-	-	-	30,585	30,585	-
(Increase) decrease in restricted assets	-	-	-	-	-	(96,668)	(96,668)	-
(Decrease) in closure costs	-	-	-	-	-	(975,240)	(975,240)	-
Increase (decrease) in due to other funds	-	-	-	-	892,928	17,302	910,230	-
Increase (decrease) in accrued liabilities	137,617	140,643	(32,971)	(1,945)	209,836	(141,393)	311,787	72,086
Total adjustments	137,617	933,930	477,779	(1,951,117)	8,297,599	(1,021,221)	6,874,587	1,245,183
Net cash provided by operations	\$ 1,674,725	(\$ 391,293)	(\$ 2,243,397)	(\$ 2,287,274)	\$ 6,520,739	(\$ 294,576)	\$ 2,978,924	\$ 806,613

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Fiduciary Net Assets  
Fiduciary Funds  
September 30, 2009*

	<u>Agency Funds</u>	<u>Trust Fund Epic Heir Trust (7650)</u>
<b>ASSETS</b>		
Cash and cash investments	\$ 12,908,183	\$ 15,430
Accounts receivable	1,680,346	-
Accrued interest receivable	4,486	13
	<u>\$ 14,593,015</u>	<u>\$ 15,443</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 18,603	\$ -
Intergovernmental payable	487,922	-
Undistributed current and delinquent taxes	7,899,572	-
Trust deposits	622,549	-
Accrued liabilities	623,432	-
Unallocated receipts	4,916,655	-
Fines and Fees due to local municipalities and libraries	24,282	-
	<u>\$ 14,593,015</u>	<u>-</u>
Net Assets		
Held in trust for Epic children		<u>\$ 15,443</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, 2009***

	<b>Epic Heir Trust (7650)</b>
	<hr/>
<b>Court transfer</b>	<b>15,164</b>
<b>Investment earnings</b>	<b>279</b>
<b>Total Additions</b>	<hr/> <b>15,443</b> <hr/>
<b>Change in Net Assets</b>	<b>15,443</b>
<b>Net Assets - Beginning</b>	<hr/> <b>-</b> <hr/>
<b>Net Assets - Ending</b>	<hr/> <b>\$ 15,443</b> <hr/> <hr/>

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

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2009

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 from the County. The Muskegon County Building Authority is a blended component unit and its sole function is to construct and lease back buildings to the County. The authority has no financial activity as all costs are borne and reported by the County.

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

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

Muskegon County Road Commission  
7700 E Apple Ave  
Muskegon MI 49442

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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, 2009

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. As described in Note 2, Property taxes for the County’s General Fund which are levied and payable within the current fiscal year are fully recognized inasmuch as any uncollected taxes are settled with the Delinquent Tax Revolving Fund not later than March 1 of the following fiscal year. While this schedule exceeds the normal availability period for property taxes of sixty days, management believes that fully recognizing property taxes in the year they are intended to finance better reflects the matching concept of generally accepted accounting principles. 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.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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

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

**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.

**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:

**2008 Delinquent Tax Revolving** (5168) 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.

**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.

**Muskegon Area Transit System** (5880) accounts for and 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).

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

**Wastewater** (5920) provides an 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.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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

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

Additionally, the County reports the following fund types:

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

**Trust funds** account for the perpetual care of specific individuals as ordered by the Court. 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).

**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, Transit System, 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.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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

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

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.

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

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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

g) Capital Assets - continued

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.

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

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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

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 \$6,635,356 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.

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.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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

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. 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.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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

1) Fund Balance Reserves and Designations - continued

Specific fund balances designated and reserved are:

General and Special Revenue

General Fund (1010)	\$687,227
Sobriety Court (1170)	24,916
Emergency Services (1190)	23,121
Marine Safety (1200)	17,723
Park Fund (2080)	115,745
Safe Schools/Healthy Students (2152)	1,711
Health Department (2210)	106,248
Community Mental Health (2220)	1,782,555
CDBG Housing Grant (2470)	3,542
Deed Automation Fund (2560)	1,008,748
TNT Drug (2671)	37,734
Prosecutor Drug (2672)	13,326
Crime Victims' Rights (2800)	1,115
Muskegon Area Stormwater Committee (2823)	22,017
EDC Loan Revolving (2860)	210,165
Rambusch-Fuchs CDBG Grant (2873)	3,549
Mental Health Buildings (2970)	1,938
Victim Restitution (2980)	<u>52,491</u>
	<u>\$4,113,871</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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

1) Fund Balance Reserves and Designations - continued

Debt Service

Designated for debt service \$80,653

Capital Projects

CMH Apple Building (4140) \$2,002,346

Laketon Township Sewer (4634) \$264,774

Muskegon/Egelston/Dalton Sewer (4641) 181,153

Future capital projects (4930) (4960) 5,227,269

Long-term Note Receivable (4930) (4960) 1,000,000

Capital improvements designated for drain projects (8010) 427,408

\$9,102,950

Permanent Funds

Designated for perpetual care (1500) (1550) \$47,186

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2009

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, 2009

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, 2009

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 2009), 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 2009, the county's indirect cost rate was 8.9937% 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, 2009

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, 2009, the County had the following investments:

Certificates of Deposit	\$11,520,000
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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, 2009, \$10,601,820 of the County's bank balances of \$75,513,244 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$10,601,820
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NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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 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, 2009.

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.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 4 - LONG-TERM NOTE RECEIVABLE

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

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

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

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet”. The details of this \$59,665,356 difference are as follows:

Special Assessment bonds	\$33,990,000
General Obligation bonds	7,725,000
Building Authority bonds	11,315,000
Compensated absences	<u>6,635,356</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$59,665,356</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED

September 30, 2009

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 (\$3,815,447) difference are as follows:

Capital Outlay	\$7,038,363
Internal Service asset purchases	(1,116,478)
Governmental fund transfers to Internal Service Fund	51,951
Internal Service depreciation	920,965
Depreciation Expense as presented for Governmental Activities	<u>(3,079,354)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$3,815,447</u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED  
September 30, 2009

NOTE 6 - CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2009 are summarized as follows:

**Primary Government**

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<b>Governmental Activities</b>				
Capital assets, not depreciable:				
Land	\$4,308,220	\$15,000	\$ -	\$4,323,220
Construction in progress	<u>-</u>	<u>5,179,608</u>	<u>-</u>	<u>5,179,608</u>
	<u>4,308,220</u>	<u>5,194,608</u>	<u>-</u>	<u>9,502,828</u>
Capital assets being depreciated:				
Land Improvements	4,735,785	-	-	4,735,785
Buildings and Improvements	70,779,221	559,543	3,943,868	67,394,896
Machinery and Equipment	<u>19,431,771</u>	<u>1,284,212</u>	<u>1,558,346</u>	<u>19,157,637</u>
Total assets being depreciated	<u>94,946,777</u>	<u>1,843,755</u>	<u>5,502,214</u>	<u>91,288,318</u>
Less accumulated depreciation for:				
Land Improvements	(1,694,333)	(185,685)	-	(1,880,018)
Buildings and Improvements	(24,100,266)	(1,632,553)	(2,207,539)	(23,525,280)
Machinery and Equipment	<u>(15,811,834)</u>	<u>(1,261,116)</u>	<u>(1,481,024)</u>	<u>(15,591,926)</u>
Total accumulated depreciation	<u>(41,606,433)</u>	<u>(3,079,354)</u>	<u>(3,688,563)</u>	<u>(40,997,224)</u>
Total capital assets being depreciated, net	<u>53,340,344</u>	<u>(1,235,599)</u>	<u>1,813,651</u>	<u>50,291,094</u>
 Governmental activities-capital assets, net	 <u>\$57,648,564</u>	 <u>\$3,959,009</u>	 <u>\$1,813,651</u>	 <u>\$59,793,922</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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	\$19,995,611	\$81,647	191,022	\$19,886,236
Construction in progress	<u>27,196,073</u>	<u>27,090,673</u>	<u>11,901,134</u>	<u>42,385,612</u>
Total capital assets not being depreciated	<u>47,191,684</u>	<u>27,172,320</u>	<u>12,092,156</u>	<u>62,271,848</u>
Capital assets being depreciated:				
Land Improvements	22,767,590	17,362,391	-	40,129,981
Buildings and Improvements	27,200,815	-	205,233	26,995,582
Machinery and Equipment	25,399,824	5,356,415	1,777,700	28,978,539
Lagoons	9,517,671	-	-	9,517,671
W/W collection and distribution	112,351,951	413,530	1,274,274	111,491,207
Capitalized interest and engineering	<u>9,062,219</u>	<u>-</u>	<u>-</u>	<u>9,062,219</u>
Total assets being depreciated	<u>206,300,070</u>	<u>23,132,336</u>	<u>3,257,207</u>	<u>226,175,199</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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	(13,829,368)	(599,551)	-	(14,428,919)
Buildings and Improvements	(11,520,129)	(827,217)	(175,861)	(12,171,485)
Machinery and Equipment	(12,561,016)	(1,384,137)	(1,729,267)	(12,215,886)
Lagoons	(3,346,100)	(95,308)	-	(3,441,408)
W/W collection and distribution	(48,482,495)	(3,221,313)	(1,268,952)	(50,434,856)
Capitalized interest and engineering	<u>(4,735,355)</u>	<u>(310,670)</u>	<u>-</u>	<u>(5,046,025)</u>
Total accumulated depreciation	<u>(94,474,463)</u>	<u>(6,438,196)</u>	<u>(3,174,080)</u>	<u>(97,738,579)</u>
Total business-type assets being depreciated, net	<u>111,825,607</u>	<u>16,694,140</u>	<u>83,127</u>	<u>128,436,620</u>
Business-type activities-capital assets, net	<u>\$159,017,291</u>	<u>\$43,866,460</u>	<u>\$12,175,283</u>	<u>\$190,708,468</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 6 - CAPITAL ASSETS - Continued

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

Governmental activities:

Judicial	\$27,506
General County Government	2,401,638
Public Safety	191,934
Health	159,132
Welfare	94,477
Culture	615
Recreation	<u>204,052</u>
Total Depreciation Expense - Governmental activities	<u>\$3,079,354</u>
Business-type Activities	
Airport	649,294
Muskegon Area Transit System	565,642
Northside Water	174,131
Wastewater	4,317,455
Other Proprietary Funds	<u>731,674</u>
Total Depreciation Expense - business-type activities	<u>\$6,438,196</u>

In accordance with the reporting under GASB Statement 42, the County has no impairment of capital assets for the year ended September 30, 2009.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 7 - LONG-TERM DEBT

Change in Long-term debt of the county for the year ended September 30, 2009 was as follows:

	<u>Balance October 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2009</u>	<u>Due within one year</u>
<u>Governmental Activities</u>					
Bonds Payable:					
<b>Special Assessment with Governmental commitment</b>					
Fruitport Sewer Bond - was payable in increasing annual installments ranging from \$100,000 in 2009 to \$250,000 in 2020. Paid off in November 2009 (8715) (Issued \$2,680,000)	\$2,230,000	\$ -	(\$100,000)	\$2,130,000	\$2,130,000
Series II - payable in increasing annual installments ranging from \$275,000 in 2009 to \$550,000 in 2020 with interest from 4.75% to 6.75% (8718) (Issued \$6,500,000)	4,800,000		(275,000)	4,525,000	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		(185,000)	5,815,000	195,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2009</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
<b>Special Assessment with Gov. commitment</b> (continued)					
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	380,000
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		(55,000)	940,000	55,000
<b>Building Authority General Obligation Bond:</b>					
Quality of Life Project Bond - was payable in increasing annual installments ranging from \$1,005,000 in 2009 to \$1,505,000 in 2016. Refunded in 2009 (3111) (Issued \$14,000,000)	10,430,000		(10,430,000)	0	

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2009</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
Quality of Life Project Bond (Refunded)-payable in increasing annual installments ranging from \$955,000 in 2010 to \$1,220,000 in 2016 with interest from 2.500% to 3.500%. (3111) (Issued \$7,725,000)		7,725,000		7,725,000	955,000
<b>Building Authority Limited Tax GO Bonds:</b>					
Muskegon County Mental Health Center Bonds (refunded) - payable in 2 installments of \$175,000 in 2009 to 2010 with interest at 5.0% (3142) (Issued \$625,000)	350,000		(175,000)	175,000	175,000
Muskegon County Hall of Justice Bonds-payable in increasing annual installments ranging from \$255,000 in 2009 to \$520,000 in 2022 with interest from 4.375% to 5.0% (3130) (Issued \$6,500,000)	5,245,000		(255,000)	4,990,000	270,000
Muskegon County Mental Health Building Bonds - payable in increasing annual installments ranging from \$150,000 in 2011 to \$430,000 in 2033 with interest from 5.25% to 6.25% (3140) (Issued \$6,150,000)		<u>6,150,000</u>		<u>6,150,000</u>	
Total Bonds Payable	<u>50,630,000</u>	<u>13,875,000</u>	<u>(11,475,000)</u>	<u>53,030,000</u>	<u>4,435,000</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2009</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
Land contract payable in monthly installments of \$3,033.20 including interest at 8% until August 2009 (6660) (Issued \$ 250,000)	32,067		(32,067)	0	
Installment note Payable in 60 monthly principal installments of \$27,771 plus interest at 4.12% until June 2009 (6660)	259,499		(259,499)	0	
Installment note Payable in 60 monthly principal installments of \$44,100 plus interest at 3.34% until December 2008 (6660)	151,869		(151,869)	0	
Installment note Payable in 60 monthly installments of \$32,789 plus interest at 5.32% until June 2011 (6660)	1,280,728		(728,033)	552,695	463,044
Installment note Payable in 1 annual installment of \$290,956 in November 2009 at 3.10% interest. (6660)	572,592		(281,636)	290,956	290,956
Sick leave and annual time payable as used or upon retirement or termination. (See Note 1(h) for limitations on payoff)(1010)	<u>6,567,001</u>	<u>4,301,090</u>	<u>(4,232,735)</u>	<u>6,635,356</u>	<u>4,301,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$59,493,756</u>	<u>\$18,176,090</u>	<u>(\$17,160,839)</u>	<u>\$60,509,007</u>	<u>\$9,490,000</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2009</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 \$130,000 in 2009 to \$485,000 in 2036 with interest from 4.375% to 5.125%. (5910) (Issued \$7,900,000)	\$7,780,000	\$ -	(\$130,000)	\$7,650,000	\$135,000
Muskegon County Water Supply System Bond - payable in increasing annual installments ranging from \$300,000 in 2009 to \$645,000 in 2028 with interest from 3.25% to 4.625%. (5910) (Issued \$9,215,000)	9,215,000		(300,000)	8,915,000	305,000
Wastewater Bond - payable in annual installments of \$850,000 in 2009 through 2026 with interest from 4.125% to 5.00% (5935) (Issued \$17,000,000)	15,300,000		(850,000)	14,450,000	850,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2009</u>	<u>Due within one year</u>
<u>Business-Type Activities (continued):</u>					
Bonds Payable					
<b>Revenue Bonds (continued):</b>					
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$755,000 in 2009 to \$1,015,000 in 2027 with interest at 1.625% (5937) (Issued \$17,440,604)	16,693,654	1,950	(755,000)	15,940,604	765,000
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$595,000 in 2009 to \$1,015,000 in 2027 with interest at 1.625% (5938) (Issued \$14,000,000)	9,021,177	4,978,823	(595,000)	13,405,000	605,000
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$80,000 in 2009 to \$105,000 in 2028 with interest at 1.625% (5939) (Issued \$1,800,000)	1,645,000		(80,000)	1,565,000	80,000
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$35,000 in 2009 to \$105,000 in 2028 with interest at 2.5% (5940) (Issued \$843,413)	61,675	781,738	(35,000)	808,413	40,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2009</u>	<u>Due within one year</u>
<u>Business-Type Activities (continued):</u>					
<b>Building Authority Bonds:</b>					
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$655,000 in 2010 to \$1,055,000 in 2029 with interest at 2.5% (5941) (Partially Issued \$3,477,090)		3,477,090		3,477,090	655,000
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$680,000 in 2010 to \$1,095,000 in 2029 with interest at 2.5% (5942) (Partially Issued \$6,237,682)		6,237,682		6,237,682	680,000
Muskegon County Fairgrounds - (Refunded) payable at \$185,000 in 2009 with interest from at 6.25% (5083) (Issued \$1,985,000)	185,000		(185,000)	0	
Muskegon County Airport Terminal - was payable in increasing annual installments ranging from \$225,000 in 2009 to \$280,000 in 2013. Paid off in January 2010 (5810) (Issued \$2,995,000)	<u>1,255,000</u>		<u>(225,000)</u>	<u>1,030,000</u>	<u>1,030,000</u>
<b>Total Bonds Payable</b>	<u>61,156,506</u>	<u>15,477,283</u>	<u>(3,155,000)</u>	<u>73,478,789</u>	<u>5,145,000</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2009</u>	<u>Due within one year</u>
<u>Business-Type Activities (continued):</u>					
<b>General Obligation Tax Notes</b>					
2006 - payable at \$1,500,000 in 2009 with interest at 5.35% (5166) (Issued \$9,000,000)	1,500,000		(1,500,000)	0	
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)	11,000,000		(7,500,000)	3,500,000	3,500,000
2008 - payable in annual installments of \$7,500,000 in 2010 and \$3,500,000 in 2011 with interest at 2.93% (5168) (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>12,500,000</u>	<u>11,000,000</u>	<u>(9,000,000)</u>	<u>14,500,000</u>	<u>11,000,000</u>
Total Business-Type Activities long-term liabilities	<u>\$73,656,506</u>	<u>\$26,477,283</u>	<u>(\$12,155,000)</u>	<u>\$87,978,789</u>	<u>\$16,145,000</u>
Total all long-term liabilities	<u>\$133,150,262</u>	<u>\$44,653,373</u>	<u>(\$29,315,839)</u>	<u>\$148,487,796</u>	<u>\$25,635,000</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

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 7 - LONG-TERM DEBT - Continued

time, bond principal payments are estimated based on the maximum bond amount. Principal payments commence after 18 months from date of original approval.

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 (\$25,582,910 at September 30, 2009) 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 up to .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, 2009

NOTE 7 - LONG TERM DEBT - Continued

The total requirement for payment of principal and interest amount to \$148,487,796 and \$53,160,055, respectively, at September 30, 2009 as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010-2014	\$22,924,007	\$11,449,747	\$37,445,000	\$10,728,921
2015-2019	12,110,000	7,567,959	18,339,772	6,703,671
2020-2024	8,510,000	5,194,087	17,085,000	4,134,107
2025-2029	7,495,000	3,391,742	12,159,017	1,552,270
2030-2034	6,930,000	1,626,869	2,005,000	545,144
2035-2036	<u>2,540,000</u>	<u>192,250</u>	<u>945,000</u>	<u>73,288</u>
Total	<u>\$60,509,007</u>	<u>\$29,422,654</u>	<u>\$87,978,789</u>	<u>\$23,737,401</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 7 - LONG-TERM DEBT - Continued

Combined schedule of annual principal requirements for bonded debt outstanding at September 30, 2009

<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>	
2010	\$3,490,000	\$955,000	\$445,000	\$4,570,000	\$1,030,000	\$14,500,000	
2011	975,000	1,035,000	435,000	4,215,000			
2012	1,060,000	1,080,000	460,000	4,295,000			
2013	1,115,000	1,110,000	485,000	4,375,000			
2014	1,145,000	1,145,000	510,000	4,460,000			\$52,890,000
2015	1,200,000	1,180,000	540,000	3,827,093			
2016	1,270,000	1,220,000	565,000	3,870,000			
2017	1,330,000		600,000	3,940,000			

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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	1,425,000		630,000	3,457,679			
2019	1,485,000		665,000	3,245,000			30,449,772
2020	1,550,000		700,000	3,290,000			
2021	1,045,000		735,000	3,350,000			
2022	1,005,000		775,000	3,420,000			
2023	1,050,000		265,000	3,480,000			
2024	1,105,000		280,000	3,545,000			25,595,000
2025	1,150,000		295,000	3,615,000			
2026	1,210,000		310,000	3,680,000			
2027	1,265,000		325,000	2,729,017			

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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>	
2028	1,325,000		340,000	1,790,000			
2029	920,000		355,000	345,000			19,654,017
2030	965,000		370,000	365,000			
2031	1,010,000		390,000	380,000			
2032	1,065,000		410,000	400,000			
2033	1,115,000		430,000	420,000			
2034	1,175,000			440,000			8,935,000
2035	1,235,000			460,000			
2036	1,305,000			485,000			
							<u>3,485,000</u>
Total all years	<u>\$33,990,000</u>	<u>\$7,725,000</u>	<u>\$11,315,000</u>	<u>\$72,448,789</u>	<u>\$1,030,000</u>	<u>\$14,500,000</u>	<u>\$141,008,789</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2009

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>\$2,685,422</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 0-7.57 % of their annual covered salary. The County is required to contribute at an actuarially determined rate; the average current rate is 9.60 % 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 2009, the County's annual pension cost was \$4,622,590 with the full amount being paid. The required contribution was determined as part of the December 31, 2007 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, 2009

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>
09/30/07	4,443	100%	0
09/30/08	4,486	100%	0
09/30/09	4,623	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 2009, with aggregate minimum monthly rentals of \$2,883. Rental expense under operating leases was \$681,154 for the year ended September 30, 2009.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund (1010)	\$5,922,658	General Fund (1010)	\$7,000,000
2007 Delinquent Tax Revolving (5167)	7,000,000	Co-Op Reimb. Pros. (1150)	44,691
		Marine Safety (1200)	69,314
		Highway Safety Programs (1210)	102,036
		Prosecutor Family Court (2140)	9,130
		Family Court (2150)	280,434
		Community Corrections (2640)	4,374
		WIRED (2730)	160,107
		Wagner-Peyser (2731)	29,597
		TAA/NAFTA (2733)	165,125
		Michigan Prisoner Re-entry (2734)	157,902
		Summer Youth ARRA (2742)	754,891

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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)	804,098
		Food Stamp Program (2759)	121
		WIA Admin Pool (2760)	340,295
		WIA Adult Program (2761)	35,804
		WIA Youth Program (2762)	155,965
		WIA-SWA No Worker Left Behind (2764)	582
		WIA Youth Statewide (2766)	1,509
		WIA Service Center Operations (2767)	25,121
		WIA ARRA Adult (2776)	40,079
		WIA ARRA Dislocated Worker (2777)	2,105
		WIA ARRA Admin (2778)	81,187
		Crime Victim's Rights (2800)	34,495
		Community Gun Violence (2832)	749
		Remonumentation (2890)	58,417
		Brookhaven (2900)	2,414,387
		Child Care Facility (2920)	128,162
		Veterans Trust (2940)	21,981
	<u>\$12,922,658</u>		<u>\$12,922,658</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, 2009

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)	\$6,207,422	\$12,038,654
Co-Op Reimb.-Pros. (1150)	114,525	
Emergency Services (1190)	189,089	
Marine Safety (1200)	35,537	
Sheriff Road Patrol (1210)	27,267	
Township Patrols (1240)	108,780	
Park Fund (2080)		30,239
Prosecutor Family Court (2140)	110,344	
Family Court (2150)	1,904,617	
Health Department (2210)	1,986,662	
Community Mental Health (2220)	670,140	
Accommodations Tax (2300)	102,907	130,629
Deeds Automation Fund (2560)		20,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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>
Law Library (2610)	26,072	
Community Corrections (2640)	355,613	
Crime Victim's Rights (2800)	17,255	
Revenue Sharing Reserve (2850)		4,180,574
Remonumentation Prog. (2890)	8,632	
Brookhaven (2900)	337,143	
Social Services (2910)	11,118	
Child Care Facility (2920)	3,888,562	
Hall of Justice (3130)	498,498	
Hall of Justice (4130)	160,480	
CMH Apple Building (4140)		285,871
Public Improvement (4930)	785,871	1,500,834
Drain Project (8010)	<u>47,882</u>	
Subtotal Governmental	<u>17,594,416</u>	<u>18,186,801</u>
Delinquent Tax Revolving (5100)		50,000
Tax Forfeitures (5110)		237,848
Delinquent Tax Revolving (5166)		8,552,813

County of Muskegon  
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
 September 30, 2009

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 (5167)	8,576,847	1,799,399
Solid Waste (5710)	30,239	
Muskegon County Airport (5810)	1,357,748	
Muskegon Co. Airport capital contributions (5810)	204,017	
Sheriff Garage (6345)	46,257	
Equipment Revolving Fund (6660)	<u>1,136,337</u>	<u>119,000</u>
	<u>11,351,445</u>	<u>10,759,060</u>
Total all funds	<u>\$28,945,861</u>	<u>\$28,945,861</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>
Park Fund (2080)	\$669,919	\$683,091
Prosecutor Family Court (2140)	169,107	173,165
Health Department (2210)	8,019,868	8,296,045
Accommodations Tax (2300)	744,911	795,591
TNT Drug (2761)	13,999	20,563
TAA/NAFTA (2733)	1,451,401	1,822,967
Michigan Prisoner Re-entry (2734)	1,469,717	1,643,995
S.Y.A.R.R. (2742)	0	932,977
Workfirst (2751)	3,982,916	3,990,555
WIA Admin Pool (2760)	397,129	458,087
WIA Dislocated Worker (2763)	976,514	1,373,489

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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>
WIA Youth Statewide (2766)	7,145	8,193
WIA SWA TANF Replacement (2770)	239,942	298,685
WIA - NEG (2775)	0	78,420
WIA ARRA Adult (2776)	0	248,801
WIA ARRA Dislocated Wkr (2777)	0	409,418
WIA ARRA Admin (2778)	0	64,058
Muskegon Area Stormwater Committee (2823)	0	46,220
EDC Loan Revolving (2860)	36,122	62,088
Remonumentation Program (2890)	73,358	93,192
Brookhaven (2900)	15,693,212	15,755,450
Child Care Facility (2920)	7,059,196	7,254,045
Mental Health Buildings (2970)	257,363	266,347
Victim Restitution (2980)	5,000	5,217
Quality of Life (3111)	1,480,382	10,999,697

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, 2009

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 (5167)	498,214	
Muskegon County Airport (5810)		\$1,348,798
Drain Revolving (6010)		21,500
Equipment Revolving (6660)		567,118
Insurance (6770)	<u>850,584</u>	
	<u>\$2,237,416</u>	<u>\$2,237,416</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, 2009

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 14.7% of annual covered payroll. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2009

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - continued

Annual OPEB Cost

For 2009, the County's annual OPEB cost was \$6,818,788 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 2009 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>
09/30/07	7,045	100%	0
09/30/08	7,584	100%	0
09/30/09	6,818	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. The actuarial valuation is completed every two years.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2009

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						
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.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2009

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, 2009 is 27 years.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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, 2009 was \$2,636,838. The claim's liability of \$4,922,574 reported in the fund at September 30, 2009, 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 2008 and 2009 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>
2008	5,515,428	13,641,328	(14,360,486)	4,796,270
2009	4,796,270	17,047,519	(16,921,215)	4,922,574

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

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 \$7.4 million reported as landfill closure and post-closure care liability at September 30, 2009 represents the cumulative amount reported to date based on the use of 52 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 12 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$12.0 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 2009. 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
2009	\$8,392,155	(\$976,033)	\$7,416,122

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, 2009. 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, 2009

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 \$3,835,313 and the bank balance was \$4,085,313. Of the bank balance, \$250,000 was covered by federal depository insurance and \$3,835,313 was exposed to custodial credit risk as it was uninsured and uncollateralized.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 15 - DISCRETE ENTITY NOTES - Continued

c) Capital Assets

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

	<u>Balance October 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2009</u>
Capital Assets not being depreciated				
Land and improvements	\$21,896,052	\$1,765,836	\$ -	\$23,661,888
Construction in progress	<u>-</u>	<u>\$90,420</u>	<u>-</u>	<u>\$90,420</u>
	<u>\$21,896,052</u>	<u>\$1,856,256</u>	<u>-</u>	<u>\$23,752,308</u>
Capital Assets being depreciated				
Buildings and improvements	3,906,815	862,432	-	4,769,247
Road equipment	9,231,556	473,191	-	9,704,747
Other equipment	2,972,017	71,242	131,833	2,911,426
Infrastructure and improvements	<u>59,277,503</u>	<u>5,634,882</u>	<u>513,801</u>	<u>64,398,584</u>
Total capital assets depreciated	75,387,891	7,041,747	645,634	81,784,004
Less accumulated depreciation for:				
Buildings and improvements	(2,446,113)	(155,074)	-	(2,601,187)
Road equipment	(7,805,089)	(643,518)	-	(8,448,607)
Other equipment	(1,671,188)	(124,118)	(131,833)	(1,663,473)
Infrastructure and improvements	<u>(26,141,368)</u>	<u>(2,787,234)</u>	<u>(513,801)</u>	<u>(28,414,801)</u>
Total accumulated depreciation	<u>(38,063,758)</u>	<u>(3,709,944)</u>	<u>(645,634)</u>	<u>(41,128,068)</u>
Total capital assets, being depreciated, net	<u>37,324,133</u>	<u>3,331,803</u>	<u>-</u>	<u>40,655,936</u>
Capital Assets, net	<u>\$59,220,185</u>	<u>\$5,188,059</u>	<u>\$0</u>	<u>\$64,408,244</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 15 - DISCRETE ENTITY NOTES - Continued

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

Primary road	\$2,454,638
Local Road	1,075,500
State Trunkline	146,214
Administrative	<u>33,592</u>
Total Depreciation expense	<u>\$3,709,944</u>

(e) LONG-TERM DEBT

Long-term debt consisted of the following as of September 30, 2009:

\$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 \$4,220).	\$1,004,220
Capital Leases	127,742
Long Term Compensated Absences	<u>362,517</u>
Total governmental activities long-term liabilities	<u>\$1,494,479</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 15 - DISCRETE ENTITY NOTES - Continued

A summary of bonds and loans and long-term compensated absences transactions for the year ended September 30, 2009 follows:

Balance at beginning of year	\$1,726,893
Additions	246,934
Deductions	<u>(479,348)</u>
Balance at end of year	<u>\$1,494,479</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 :	\$5,875,714
Adjustments	
Adjustment for Governmental funds transferred to Internal Service	46,171
Internal Service fund purchases	<u>1,116,478</u>
Net Assets capitalized	<u>\$7,038,363</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2009

NOTE 17- CONSTRUCTION COMMITMENTS

The County has active construction projects as of September 30, 2009. These include the construction of a new 60 inch wastewater pipeline extending from the City of Muskegon 8.5 miles to the wastewater site, building a sizable addition to a County Community Mental Health center and remodeling the 17 year old original structure, and the laying of sewer lines in Laketon township. At year end the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to date</u>	<u>Remaining Commitment</u>
Wastewater pipeline	\$39,830,446.00	\$7,974,422.00
CMH Halmond Center	3,936,000.00	2,214,000.00
Laketon Township sewer lines	<u>5,460,000.00</u>	<u>540,000.00</u>
Total	<u>\$49,226,446.00</u>	<u>\$10,728,422.00</u>

NOTE 18 - CURRENT BOND REFUNDING

During fiscal year 2009, the County refunded \$9,425,000 of 1999 general obligation refunded bonds to provide resources to call the bonds with an additional payment made from funds on hand of \$2,010,000. As a result, the original bonds have been defeased and the liability has been removed from the statement of net assets. New bonds in the amount of \$7,725,000 were issued at a net interest cost of 2.98% with an annual savings of \$732,491 with an economic present value savings of \$470,744.

**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, 2009*

	General Fund - 1010				Community Mental Health - 2220			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>								
Taxes	\$ 27,677,898	\$ 26,740,306	\$ 26,855,500	\$ 115,194	\$ -	\$ -	\$ -	\$ -
Licenses and permits	16,025	25,525	33,331	7,806	-	-	-	-
Operating grants and contributions	2,211,651	2,334,011	2,331,411	(2,600)	8,019,743	8,044,870	6,344,142	(1,700,728)
Charges for services	8,857,708	8,014,247	7,968,424	(45,823)	64,809,492	66,342,081	67,237,860	895,779
Fines and forfeitures	751,500	643,500	602,978	(40,522)	-	-	-	-
Investment income	700,000	660,004	377,853	(282,151)	150,000	150,000	96,773	(53,227)
Rentals	131,216	174,286	198,363	24,077	-	-	-	-
Contributions from private sources	-	-	-	-	1,729,456	1,557,165	2,350,773	793,608
Other	961,594	912,570	898,669	(13,901)	187,702	169,793	107,650	(62,143)
<b>Total revenues</b>	<b>41,307,592</b>	<b>39,504,449</b>	<b>39,266,529</b>	<b>(237,920)</b>	<b>74,896,393</b>	<b>76,263,909</b>	<b>76,137,198</b>	<b>(126,711)</b>
<b>Expenditures</b>								
<b>Current operations</b>								
Legislative	449,743	474,503	469,136	5,367	-	-	-	-
Judicial	7,448,623	7,314,623	7,109,157	205,466	-	-	-	-
General County government	14,424,118	13,866,857	13,648,124	218,733	-	-	-	-
Public safety	12,033,604	11,705,966	11,378,114	327,852	-	-	-	-
Health	-	-	-	-	75,759,298	76,917,204	76,521,852	395,352
Welfare	-	-	-	-	-	-	-	-
Culture	165,295	168,367	164,175	4,192	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	405,057	519,254	536,549	(17,295)	-	-	-	-
Capital outlay	34,200	29,500	17,520	11,980	84,960	66,800	49,820	16,980
<b>Total expenditures</b>	<b>34,960,640</b>	<b>34,079,070</b>	<b>33,322,775</b>	<b>756,295</b>	<b>75,844,258</b>	<b>76,984,004</b>	<b>76,571,672</b>	<b>412,332</b>
<b>Revenues over (under) expenditures</b>	<b>6,346,952</b>	<b>5,425,379</b>	<b>5,943,754</b>	<b>518,375</b>	<b>(947,865)</b>	<b>(720,095)</b>	<b>(434,474)</b>	<b>285,621</b>
<b>Other financing sources (uses)</b>								
Sales of capital assets	-	-	-	-	12,400	12,400	22,080	9,680
Transfers in	5,044,351	6,282,295	6,207,422	(74,873)	670,159	670,159	670,140	(19)
Transfers (out)	(11,276,303)	(11,707,674)	(12,038,654)	(330,980)	-	-	-	-
	(6,231,952)	(5,425,379)	(5,831,232)	(405,853)	682,559	682,559	692,220	9,661
<b>Net Change in Fund Balance</b>	<b>115,000</b>	<b>-</b>	<b>112,522</b>	<b>112,522</b>	<b>(265,306)</b>	<b>(37,536)</b>	<b>257,746</b>	<b>295,282</b>
<b>Fund balance at beginning of year</b>	<b>9,068,373</b>	<b>9,068,373</b>	<b>9,068,373</b>	<b>-</b>	<b>1,743,961</b>	<b>1,743,961</b>	<b>1,743,961</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 9,183,373</b>	<b>\$ 9,068,373</b>	<b>\$ 9,180,895</b>	<b>\$ 112,522</b>	<b>\$ 1,478,655</b>	<b>\$ 1,706,425</b>	<b>\$ 2,001,707</b>	<b>\$ 295,282</b>

## **Required Supplementary Information - continued**

*County of Muskegon*

*September 30, 2009*

### **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 0% increase in salaries and a freeze on refilling positions. The actual decrease in salaries and wages was 1.53% from the original budget.

Interest rates decreased by about 60%. This caused an decrease in expected revenue of \$692,000

Overall, revenues were short from original expectations by \$1,803,000.

## **Required Supplementary Information - continued**

*County of Muskegon*

*September 30, 2009*

### **Budgetary amendments to the original budget**

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

#### **General Fund**

- An decrease in taxes due to the reduction in home growth of at 2.93%.
- Industrial facilities taxes were down \$159,000 due to the drop in property values.
- District Court collections dropped \$260,000 due to hard economic times.
- Alcohol assessment fees revenue has decreased \$82,000 due to economic conditions.
- Register of deeds income has dropped another \$102,000 due to home sales being down.

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, 2009*

*Pension Fund*

<b>Actuarial Valuation Date</b>	<b>Actual Asset Value</b>	<b>Entry Age Actuarial Accrued Liability</b>	<b>UnderFunded (Overfunded) Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UnderFunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll Payroll</b>
12/31/06	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 %
12/31/08	165,135,098	201,704,111	36,569,013	81.9%	47,382,743	77 %

*Postemployment Benefits*

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

*County of Muskegon  
Muskegon Area Transit System (5880)  
SCHEDULE OF FINANCIAL ASSISTANCE  
FEDERAL AND STATE  
Year Ended September 30, 2009*

<u>Federal Grantor Pass Thru Grantor/Program Title</u>	<u>CFDA Number</u>	<u>State Grantor Number</u>	<u>Program or Award Amount</u>	<u>Prior Year Revenue Received</u>	<u>Current Year Federal Revenue</u>	<u>Current Year State Revenue</u>
<b>U.S. Dept. of Transportation</b>						
<b>Direct Assistance</b>						
Capital Assistance	20.507	95-0003	\$ 248,000	\$ -	\$ 248,000	\$ -
Capital Assistance	20.507	95-0024	522,547	-	522,547	-
Capital Assistance	20.507	04-0026	1,216,714	-	-	-
Capital Assistance	20.507	04-0028	245,000	-	245,000	-
Capital Assistance	20.507	03-0228	485,888	105,303	68,275	-
Capital Assistance	20.507	90-0365	1,689,142	1,243,443	31,639	-
Capital Assistance	20.507	90-0388	1,707,054	1,427,542	-	-
Capital Assistance	20.507	90-0407	1,968,161	1,688,961	-	-
Capital Assistance	20.507	90-0443	1,688,826	1,600,817	8,009	-
Capital Assistance	20.507	90-0497	1,508,469	1,345,126	29,361	-
Capital Assistance	20.507	90-0536	1,336,201	1,336,201	-	-
Capital Assistance	20.507	90-0546	254,000	-	254,000	-
Capital Assistance	20.507	90-0558	1,456,745	974,087	390,087	-
Capital Assistance	20.507	90-0581	625,152	-	562,299	-
Capital Assistance	20.507	90-0596	915,774	-	-	-
Capital Assistance ARRA	20.507	96-0010	2,043,050	-	327,092	-
<b>Michigan Dept. of Transportation</b>						
Capital Assistance		00-0855	90,000	82,090	-	7,910
Capital Assistance		02-0072Z11	209,000	186,997	-	2,003
Capital Assistance		07-0264Z2	121,472	26,326	-	17,069
Capital Assistance		07-0264Z3	62,000	-	-	62,000
Capital Assistance		07-0264Z6	63,500	-	-	63,500
Capital Assistance		07-0264Z9	130,636	-	-	130,636
Capital Assistance		07-0264Z10	61,250	-	-	61,250
<b>Total Capital Assistance</b>			<b>\$ 18,648,581</b>	<b>\$ 10,016,893</b>	<b>\$ 2,686,309</b>	<b>\$ 344,368</b>

*County of Muskegon  
Muskegon Area Transit System (5880)  
SCHEDULE OF FINANCIAL ASSISTANCE  
FEDERAL AND STATE (continued)  
Year Ended September 30, 2009*

<u>Federal Grantor Pass Thru Grantor/Program Title</u>	<u>CFDA Number</u>	<u>State Grantor Number</u>	<u>Program or Award Amount</u>	<u>Prior Year Revenue Received</u>	<u>Current Year Federal Revenue</u>	<u>Current Year State Revenue</u>
<b>U.S. Dept. of Transportation</b>						
State and Federal Operating Assist. Computations based on Operating Expenses (included in above totals)						
	20.507	90-0558	\$ 1,116,745	\$ 734,087	\$ 382,658	\$ -
	20.507	90-0581	625,152	-	562,299	-
	20.507	90-0596	915,774	-	-	-
Direct Assistance						
Operating Assistance (Section 5311- 02)						
			-	-	-	-
<b>Michigan Dept. of Transportation</b>						
Operating Assist. - Act 51						
		N/A	729,238	-	-	729,238
New Freedom	20.521	2007-264/Z11	20,000	-	20,000	-
JARC	20.516	2007-264/Z12	10,000	-	8,000	2,000
Specialized Services		07-0264Z7	65,499	-	-	65,499
Total Operating Assistance			<u>\$ 3,482,408</u>	<u>\$ 734,087</u>	<u>\$ 972,957</u>	<u>\$ 796,737</u>

**RECONCILIATION TO AUDITED FINANCIAL STATEMENTS**

Capital Assistance as above					2,714,309	344,368
Less Capitalized					(1,493,996)	(342,007)
MDOT Operating Assistance as above						796,737
Local Operating Grants						

**Operating Subsidies**

Operating Assist. - Act 51 Prior Years

CAFR page 39

# County of Muskegon

## Budget and actual by Department - General Fund

Year Ended September 30, 2009

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Difference (+/-)</b>
101 Board of Commissioners	\$ 449,743	\$ 474,503	\$ 469,136	\$ 5,367
131 Circuit Court	1,327,486	1,291,440	1,230,828	60,612
132 Circuit Court Collections	54,137	55,575	47,766	7,809
136 District Court	3,611,986	3,538,396	3,460,450	77,946
137 Probation Cobo Hall Tax	201,591	181,652	166,981	14,671
138 District Court Collections	270,176	260,756	257,146	3,610
145 Jury Commission	23,125	27,030	25,199	1,831
148 Probate Court	764,522	767,831	761,000	6,831
151 State Probation	65,096	68,377	60,930	7,447
164 Public Defender	1,114,458	1,114,458	1,089,748	24,710
171 Administration	933,124	710,555	768,101	(57,546)
191 Elections	215,326	184,255	168,018	16,237
201 Accounting	641,894	629,726	631,248	(1,522)
210 Corporate Counsel	208,421	148,121	131,100	17,021
215 County Clerk	405,949	402,515	409,513	(6,998)
216 Circuit Court Records	588,990	597,517	582,261	15,256
225 Equalization	1,971,670	1,879,888	1,842,321	37,567
226 Human Resources	584,017	422,932	405,947	16,985
227 City of Muskegon	-	-	6,707	(6,707)
229 Prosecutor	2,381,670	2,289,562	2,304,872	(15,310)
233 Purchasing	218,973	263,802	253,765	10,037
236 Register of Deeds	679,239	662,989	648,615	14,374
241 Johnny O. Harris Building	4,262	4,565	4,448	117
242 Training Center	59,526	63,799	64,263	(464)
243 Youth Services Building	-	99,230	64,799	34,431

# County of Muskegon

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

Year Ended September 30, 2009

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Difference (+/-)</b>
247 Central Services Building	\$ 28,312	\$ 658	\$ 6,550	(\$ 5,892)
248 Stark Hall	27,700	22,894	19,979	2,915
252 Transfers	1,485,653	1,394,855	1,418,464	(23,609)
253 Treasurer	818,851	808,279	790,871	17,408
260 Shady Grove Cemetery	3,745	3,937	3,819	118
263 Cordova Site O&M	3,460	2,759	2,691	68
265 Courthouse and Grounds	1,047,933	1,010,394	1,006,207	4,187
266 Facility Security Services	92,072	93,502	87,895	5,607
268 Oak Ave. Building	113,416	161,986	178,795	(16,809)
269 Harris Building	-	-	-	-
271 County Jail Building	389,855	459,989	418,408	41,581
273 Heritage Landing O&M	138,705	124,307	112,353	11,954
275 Drain Commissioner	296,158	291,369	277,791	13,578
284 Plat Board	916	916	-	916
285 Gypsy Moth	-	73,901	64,535	9,366
297 Vehicle Pool	28,726	25,224	24,564	660
301 Sheriff Operations	4,044,775	3,810,896	3,762,155	48,741
305 Sheriff Administration	460,229	520,237	449,355	70,882
320 Officer Training Act 302	12,000	12,000	15,253	(3,253)
350 Correction Officer Training	64,400	62,090	44,070	18,020
351 Sheriff Jail	6,095,595	6,080,713	5,892,950	187,763
355 Courtroom Security	1,152,033	1,145,028	1,141,456	3,572
650 State Institutions	234,000	214,000	221,844	(7,844)
731 MSU Extension	165,295	168,367	164,175	4,192
941 Misc Contingency	500,243	525,952	528,006	(2,054)
959 Information Systems	<u>981,187</u>	<u>925,343</u>	<u>835,427</u>	<u>89,916</u>
Totals	<u>\$ 34,960,640</u>	<u>\$ 34,079,070</u>	<u>\$ 33,322,775</u>	<u>\$ 756,295</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.

Safe Schools/Healthy Students (2152)--to account for monies received under contract by Muskegon County from Muskegon Public Schools to provide interdisciplinary interventions for high risk families within the public school system.

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.

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.

JAG-ARRA (2675)--to account for Federal pass through funds for municipal law enforcement agencies to purchase equipment, supplies, and services for their communities.

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.

S.Y.A.R.R.(2742)--to account for Federal pass-through funds from the state received for Muskegon and Oceana Counties to fund high school and under 24 year olds for jobs during the summer and supportive services.

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.

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

WIA NEG (2775)--to account for Federal pass-through funds for statewide activities funding for re-employment of dislocated workers in Muskegon and Oceana counties.

WIA ARRA Adult Program (2776)--to account for Federal pass-through funds from the state received by the county for Muskegon and Oceana counties under the Workforce Investment Act. These funds are targeted for training and employment of economically disadvantaged adults.

WIA ARRA Dislocated Worker (2777)--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 ARRA Admin (2778)--to account for Federal pass-through funds from the state received by the county 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.

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.

Muskegon Area Stormwater Committee (2823)--to account for local municipalities funds for payment to the State for groundwater pollution testing and the permitting of groundwater discharge into local watersheds.

Community Gun Violence (2832) - to account for monies used for developing and sharing information on gun-related crimes across local, state and federal information systems.

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.

CMH Building (3140)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the CMH building.

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.

Hall of Justice (4130) - to account for the revenues and expenditures associated with the renovation of the 1<sup>st</sup> and 2<sup>nd</sup> floors of the Hall of Justice building.

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.

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**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2009

**SPECIAL REVENUE**

	Cooperative Reimbursement Prosecutor (1150)	Sobriety Court (1170)	Emergency Services (1190)	Marine Safety (1200)	Highway Safety Programs (1210)	Township Patrols (1240)
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 4,528	\$ 22,706	\$ -	\$ -	\$ 21,526
Investments	-	588	2,951	-	-	2,798
Receivables						
Accounts	-	305	2,614	-	-	12,838
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	57,666	49,290	-	95,439	112,475	-
Accrued Interest	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 57,666</u>	<u>\$ 54,711</u>	<u>\$ 28,271</u>	<u>\$ 95,439</u>	<u>\$ 112,475</u>	<u>\$ 37,162</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 1,393	\$ 19,592	\$ 3,009	\$ 1,320	\$ 1,780	\$ -
Intergovernmental payable	-	8,053	-	-	-	-
Accrued liabilities	11,582	2,150	2,141	7,082	8,659	8,305
Due to other funds	44,691	-	-	69,314	102,036	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	28,857
	<u>57,666</u>	<u>29,795</u>	<u>5,150</u>	<u>77,716</u>	<u>112,475</u>	<u>37,162</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	24,916	23,121	17,723	-	-
Undesignated	-	-	-	-	-	-
	<u>-</u>	<u>24,916</u>	<u>23,121</u>	<u>17,723</u>	<u>-</u>	<u>-</u>
	<u>\$ 57,666</u>	<u>\$ 54,711</u>	<u>\$ 28,271</u>	<u>\$ 95,439</u>	<u>\$ 112,475</u>	<u>\$ 37,162</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2009

**SPECIAL REVENUE**

	Prosecutor					
Park Fund (2080)	Family Court (2140)	Family Court (2150)	Safe Schools/ Healthy Students (2152)	Health Department (2210)	Accommodations Tax (2300)	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 126,722	\$ -	\$ -	\$ 4,663	\$ 515,195	\$ 32,958
Investments	16,472	-	-	606	66,966	4,284
Receivables						
Accounts	332	-	425	-	91,647	65,009
Assessments receivable-deferred	-	-	-	-	9,025	-
Intergovernmental	-	17,577	464,603	-	25,681	-
Accrued Interest	78	-	-	-	6	-
Prepaid Items	-	-	-	-	22,409	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 143,604</u>	<u>\$ 17,577</u>	<u>\$ 465,028</u>	<u>\$ 5,269</u>	<u>\$ 730,929</u>	<u>\$ 102,251</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 14,011	\$ -	\$ 5,880	\$ -	\$ 302,760	\$ 6,822
Intergovernmental payable	-	-	-	-	(5,367)	-
Accrued liabilities	13,848	8,447	178,714	3,558	326,278	95,429
Due to other funds	-	9,130	280,434	-	-	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	1,010	-
	<u>27,859</u>	<u>17,577</u>	<u>465,028</u>	<u>3,558</u>	<u>624,681</u>	<u>102,251</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	115,745	-	-	1,711	106,248	-
Undesignated	-	-	-	-	-	-
	<u>115,745</u>	<u>-</u>	<u>-</u>	<u>1,711</u>	<u>106,248</u>	<u>-</u>
	<u>\$ 143,604</u>	<u>\$ 17,577</u>	<u>\$ 465,028</u>	<u>\$ 5,269</u>	<u>\$ 730,929</u>	<u>\$ 102,251</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2009

**SPECIAL REVENUE**

	CDBG Housing Grant (2470)	Deed Automation Fund (2560)	Budget Stabilization (2570)	Law Library (2610)	Community Corrections (2640)	TNT Drug (2671)
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,135	\$ 891,538	\$ 2,035,429	\$ 6,433	\$ -	\$ 33,360
Investments	407	115,885	264,571	836	-	4,336
Receivables						
Accounts	-	460	-	-	49	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	-	-	-	-	35,108	-
Accrued Interest	-	882	-	-	-	38
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 3,542</u>	<u>\$ 1,008,765</u>	<u>\$ 2,300,000</u>	<u>\$ 7,269</u>	<u>\$ 35,157</u>	<u>\$ 37,734</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ -	\$ 17	\$ -	\$ 7,269	\$ 9,031	\$ -
Intergovernmental payable	-	-	-	-	3,846	-
Accrued liabilities	-	-	-	-	17,906	-
Due to other funds	-	-	-	-	4,374	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>-</u>	<u>17</u>	<u>-</u>	<u>7,269</u>	<u>35,157</u>	<u>-</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	3,542	1,008,748	-	-	-	37,734
Undesignated	-	-	2,300,000	-	-	-
	<u>3,542</u>	<u>1,008,748</u>	<u>2,300,000</u>	<u>-</u>	<u>-</u>	<u>37,734</u>
	<u>\$ 3,542</u>	<u>\$ 1,008,765</u>	<u>\$ 2,300,000</u>	<u>\$ 7,269</u>	<u>\$ 35,157</u>	<u>\$ 37,734</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2009

**SPECIAL REVENUE**

	Prosecutor Drug (2672)	JAG - ARRA (2675)	WIRED (2730)	Wagner Peysen (2731)	TAA/NAFTA (2733)	Michigan Prisoner Re-entry (2734)
<b>ASSETS</b>						
Cash and cash equivalents	\$ 11,793	\$ 191,142	\$ -	\$ -	\$ -	\$ -
Investments	1,533	24,845	-	-	-	-
Receivables						
Accounts	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	-	-	160,107	79,698	776,178	467,514
Accrued Interest	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 13,326</u>	<u>\$ 215,987</u>	<u>\$ 160,107</u>	<u>\$ 79,698</u>	<u>\$ 776,178</u>	<u>\$ 467,514</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ 50,101	\$ 611,053	\$ 309,612
Intergovernmental payable	-	215,987	-	-	-	-
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	160,107	29,597	165,125	157,902
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>-</u>	<u>215,987</u>	<u>160,107</u>	<u>79,698</u>	<u>776,178</u>	<u>467,514</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	13,326	-	-	-	-	-
Undesignated	-	-	-	-	-	-
	<u>13,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 13,326</u>	<u>\$ 215,987</u>	<u>\$ 160,107</u>	<u>\$ 79,698</u>	<u>\$ 776,178</u>	<u>\$ 467,514</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2009

**SPECIAL REVENUE**

	Work Incentive Grant (2735)	Summer Youth A.R.R.A. (2742)	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	-	932,976	1,806,647	121	388,784	163,945
Accrued Interest	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 932,976</u>	<u>\$ 1,806,647</u>	<u>\$ 121</u>	<u>\$ 388,784</u>	<u>\$ 163,945</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ -	\$ 116,251	\$ 1,002,549	\$ -	\$ 2,889	\$ 128,141
Intergovernmental payable	-	-	-	-	-	-
Accrued liabilities	-	61,834	-	-	45,600	-
Due to other funds	-	754,891	804,098	121	340,295	35,804
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>-</u>	<u>932,976</u>	<u>1,806,647</u>	<u>121</u>	<u>388,784</u>	<u>163,945</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 932,976</u>	<u>\$ 1,806,647</u>	<u>\$ 121</u>	<u>\$ 388,784</u>	<u>\$ 163,945</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2009

	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)
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 51,330	\$ -	\$ 29,000	\$ -	\$ -
Investments	-	6,672	-	3,770	-	-
Receivables						
Accounts	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	321,108	185,829	582	-	1,509	29,220
Accrued Interest	-	-	-	29	-	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 321,108</u>	<u>\$ 243,831</u>	<u>\$ 582</u>	<u>\$ 32,799</u>	<u>\$ 1,509</u>	<u>\$ 29,220</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 153,813	\$ 243,831	\$ -	\$ -	\$ -	\$ 4,099
Intergovernmental payable	-	-	-	32,799	-	-
Accrued liabilities	11,330	-	-	-	-	-
Due to other funds	155,965	-	582	-	1,509	25,121
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>321,108</u>	<u>243,831</u>	<u>582</u>	<u>32,799</u>	<u>1,509</u>	<u>29,220</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
	<u>\$ 321,108</u>	<u>\$ 243,831</u>	<u>\$ 582</u>	<u>\$ 32,799</u>	<u>\$ 1,509</u>	<u>\$ 29,220</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2009

**SPECIAL REVENUE**

	Incumbent Worker Statewide (2768)	WIA SWA TANF Replacement (2770)	WIA-NEG (2775)	WIA ARRA Adult (2776)	WIA ARRA Dislocated Wkr (2777)	WIA ARRA Admiin (2778)
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables						
Accounts	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	-	-	-	248,801	409,418	81,187
Accrued Interest	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,801</u>	<u>\$ 409,418</u>	<u>\$ 81,187</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ 208,722	\$ 407,313	\$ -
Intergovernmental payable	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	40,079	2,105	81,187
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,801</u>	<u>409,418</u>	<u>81,187</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,801</u>	<u>\$ 409,418</u>	<u>\$ 81,187</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2009

**SPECIAL REVENUE**

	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Community Gun Violence (2832)	Revenue Sharing Reserve (2850)	EDC Loan Revolving (2860)	Rambusch-Fuchs CDBG Grant (2873)
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 19,484	\$ -	\$ 3,277,819	\$ 159,796	\$ 3,141
Investments	-	2,533	-	426,060	20,771	408
Receivables						
Accounts	-	-	1,780	-	38,190	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	54,341	-	-	-	-	-
Accrued Interest	-	-	-	-	159	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 54,341</u>	<u>\$ 22,017</u>	<u>\$ 1,780</u>	<u>\$ 3,703,879</u>	<u>\$ 218,916</u>	<u>\$ 3,549</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 3,324	\$ -	\$ 1,031	\$ -	\$ 8,751	\$ -
Intergovernmental payable	5,857	-	-	-	-	-
Accrued liabilities	9,550	-	-	-	-	-
Due to other funds	34,495	-	749	-	-	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>53,226</u>	<u>-</u>	<u>1,780</u>	<u>-</u>	<u>8,751</u>	<u>-</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	1,115	22,017	-	-	210,165	3,549
Undesignated	-	-	-	3,703,879	-	-
	<u>1,115</u>	<u>22,017</u>	<u>-</u>	<u>3,703,879</u>	<u>210,165</u>	<u>3,549</u>
	<u>\$ 54,341</u>	<u>\$ 22,017</u>	<u>\$ 1,780</u>	<u>\$ 3,703,879</u>	<u>\$ 218,916</u>	<u>\$ 3,549</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2009

**SPECIAL REVENUE**

	<b>Downtown Redevelopment Project (2876)</b>	<b>Digital Divide Investment Program (2881)</b>	<b>Remonumen- tation Program (2890)</b>	<b>Brookhaven (2900)</b>	<b>Social Welfare (2910)</b>	<b>Child Care Facility (2920)</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 13,198	\$ -
Investments	-	-	-	-	1,715	-
Receivables						
Accounts	-	-	-	3,185,513	79,678	646
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	282,877	-	58,417	18,565	57,109	517,836
Accrued Interest	-	-	-	-	-	-
Prepaid Items	-	-	-	35,734	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	127,452	-	-
	<u>\$ 282,877</u>	<u>\$ -</u>	<u>\$ 58,417</u>	<u>\$ 3,367,264</u>	<u>\$ 151,700</u>	<u>\$ 518,482</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 282,877	\$ -	\$ -	\$ 309,351	\$ 15,700	\$ 234,982
Intergovernmental payable	-	-	-	33,939	136,000	-
Accrued liabilities	-	-	-	609,587	-	155,338
Due to other funds	-	-	58,417	2,414,387	-	128,162
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>282,877</u>	<u>-</u>	<u>58,417</u>	<u>3,367,264</u>	<u>151,700</u>	<u>518,482</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
	<u>\$ 282,877</u>	<u>\$ -</u>	<u>\$ 58,417</u>	<u>\$ 3,367,264</u>	<u>\$ 151,700</u>	<u>\$ 518,482</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2009

	SPECIAL REVENUE			DEBT SERVICE		
	Veteran's Trust (2940)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 16,866	\$ 46,411	\$ 103,216	\$ 87,251	\$ 131,756
Investments	-	2,192	6,033	13,416	11,341	17,126
Receivables						
Accounts	5,000	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	19,548	-	-	-	-	-
Accrued Interest	-	-	47	1,295	-	69
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 24,548</u>	<u>\$ 19,058</u>	<u>\$ 52,491</u>	<u>\$ 117,927</u>	<u>\$ 98,592</u>	<u>\$ 148,951</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 2,567	\$ 14,972	\$ -	\$ -	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-
Accrued liabilities	-	2,148	-	38,966	97,984	148,951
Due to other funds	21,981	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>24,548</u>	<u>17,120</u>	<u>-</u>	<u>38,966</u>	<u>97,984</u>	<u>148,951</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	1,938	52,491	78,961	608	-
Undesignated	-	-	-	-	-	-
	<u>-</u>	<u>1,938</u>	<u>52,491</u>	<u>78,961</u>	<u>608</u>	<u>-</u>
	<u>\$ 24,548</u>	<u>\$ 19,058</u>	<u>\$ 52,491</u>	<u>\$ 117,927</u>	<u>\$ 98,592</u>	<u>\$ 148,951</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2009

	DEBT SERVICE		CAPITAL PROJECTS			
	Halmond Center Debt (3142)	Hall of Justice (4130)	CMH Apple Building (4140)	Laketon Township Sewer (4634)	Muskegon/ Egelston/Dalton Sewer (4641)	Public Improvement (4930)
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,155	\$ 7,463	\$ 1,819,162	\$ 501,108	\$ 160,173	\$ 4,736,769
Investments	540	970	236,460	65,135	20,820	615,699
Receivables						
Accounts	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Accrued Interest	10	-	3,284	1,401	160	3,987
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	700,000
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 4,705</u>	<u>\$ 8,433</u>	<u>\$ 2,058,906</u>	<u>\$ 567,644</u>	<u>\$ 181,153</u>	<u>\$ 6,056,455</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ -	\$ 8,433	\$ 56,560	\$ 279,543	\$ -	\$ 166,634
Intergovernmental payable	-	-	-	-	-	-
Accrued liabilities	3,621	-	-	23,327	-	-
Due to other funds	-	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>3,621</u>	<u>8,433</u>	<u>56,560</u>	<u>302,870</u>	<u>-</u>	<u>166,634</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	700,000
Unreserved						
Designated for programs	1,084	-	2,002,346	264,774	181,153	5,189,821
Undesignated	-	-	-	-	-	-
	<u>1,084</u>	<u>-</u>	<u>2,002,346</u>	<u>264,774</u>	<u>181,153</u>	<u>5,889,821</u>
	<u>\$ 4,705</u>	<u>\$ 8,433</u>	<u>\$ 2,058,906</u>	<u>\$ 567,644</u>	<u>\$ 181,153</u>	<u>\$ 6,056,455</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2009

	CAPITAL PROJECTS			PERMANENT FUNDS		Total All Funds
	Capital Improvement (4960)	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 33,140	\$ 2,947	\$ 379,561	\$ 32,495	\$ 10,205	15,527,571
Investments	4,308	383	49,336	4,224	1,326	2,018,319
Receivables						
Accounts	-	-	-	-	-	3,484,486
Assessments receivable-deferred	-	18,170	-	-	-	27,195
Intergovernmental	-	-	-	-	-	7,920,156
Accrued Interest	-	-	343	-	10	11,798
Prepaid Items	-	-	-	-	-	58,143
Long-term Note receivable	300,000	-	-	-	-	1,000,000
Inventory of Supplies	-	-	-	-	-	127,452
	<u>\$ 337,448</u>	<u>\$ 21,500</u>	<u>\$ 429,240</u>	<u>\$ 36,719</u>	<u>\$ 11,541</u>	<u>\$ 30,175,120</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 1,074	\$ 4,997,057
Intergovernmental payable	-	-	-	-	-	431,114
Accrued liabilities	-	-	1,832	-	-	1,894,167
Due to other funds	-	-	-	-	-	5,922,658
Long-term advance from other funds	-	21,500	-	-	-	21,500
Deferred revenue	-	-	-	-	-	29,867
	<u>-</u>	<u>21,500</u>	<u>1,832</u>	<u>-</u>	<u>1,074</u>	<u>13,296,363</u>
Fund balance (deficit)						
Reserved for long-term note receivable	300,000	-	-	-	-	1,000,000
Unreserved						
Designated for programs	37,448	-	427,408	36,719	10,467	9,874,878
Undesignated	-	-	-	-	-	6,003,879
	<u>337,448</u>	<u>-</u>	<u>427,408</u>	<u>36,719</u>	<u>10,467</u>	<u>16,878,757</u>
	<u>\$ 337,448</u>	<u>\$ 21,500</u>	<u>\$ 429,240</u>	<u>\$ 36,719</u>	<u>\$ 11,541</u>	<u>\$ 30,175,120</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year ended September 30, 2009

	SPECIAL REVENUE					
	Cooperative Reimbursement Prosecutor (1150)	Sobriety Court (1170)	Emergency Services (1190)	Marine Safety (1200)	Highway Safety Programs (1210)	Township Patrols (1240)
<b>Revenues</b>						
Grants						
State	\$ 920	\$ 113,976	\$ -	\$ 124,628	\$ 178,652	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	201,232	-	145,980	7,000	48,532	-
Local Units	-	-	-	-	-	108,780
Charges for services rendered	-	91,236	-	-	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	300	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	775	-	-	-
	<u>202,152</u>	<u>205,212</u>	<u>146,755</u>	<u>131,928</u>	<u>227,184</u>	<u>108,780</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	181,594	-	-	-	-
General County government	316,677	-	-	-	-	-
Public Safety	-	-	229,901	151,626	254,751	217,560
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	105,417	17,914	1,500	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>316,677</u>	<u>181,594</u>	<u>335,318</u>	<u>169,540</u>	<u>256,251</u>	<u>217,560</u>
Revenues over (under) expenditures	(114,525)	23,618	(188,563)	(37,612)	(29,067)	(108,780)
<b>Other financing sources (uses)</b>						
Transfers in	114,525	-	189,089	35,537	27,267	108,780
Bond Issuance	-	-	-	-	-	-
Sale of Assets	-	-	-	2,075	1,800	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>114,525</u>	<u>-</u>	<u>189,089</u>	<u>37,612</u>	<u>29,067</u>	<u>108,780</u>
Net change in fund balances	-	23,618	526	-	-	-
Fund balance at beginning of year	-	1,298	22,595	17,723	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 24,916</u>	<u>\$ 23,121</u>	<u>\$ 17,723</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year ended September 30, 2009

	SPECIAL REVENUE					
	Park Fund (2080)	Prosecutor Family Court (2140)	Family Court (2150)	Safe Schools/ Healthy Students (2152)	Health Department (2210)	Accommodations Tax (2300)
<b>Revenues</b>						
Grants						
State	\$ -	\$ 62,821	\$ 114,803	\$ -	\$ 1,132,055	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	-	-	2,087,636	-	2,663,537	-
Local Units	-	-	-	-	24,800	-
Charges for services rendered	694,271	-	301,586	52,792	2,046,996	190
Taxes	-	-	-	-	-	746,819
Contributions from private sources	400	-	-	-	7,160	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	727	-	-	-	586	680
Rentals	-	-	-	-	-	-
Other	898	-	68,846	-	388,685	-
	<u>696,296</u>	<u>62,821</u>	<u>2,572,871</u>	<u>52,792</u>	<u>6,263,819</u>	<u>747,689</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	1,175,899	-	-	-
General County government	-	173,165	3,300,158	49,851	-	795,591
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	8,281,997	-
Welfare	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	653,411	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	29,680	-	1,431	1,230	14,049	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>683,091</u>	<u>173,165</u>	<u>4,477,488</u>	<u>51,081</u>	<u>8,296,046</u>	<u>795,591</u>
Revenues over (under) expenditures	13,205	(110,344)	(1,904,617)	1,711	(2,032,227)	(47,902)
<b>Other financing sources (uses)</b>						
Transfers in	-	110,344	1,904,617	-	1,986,662	102,907
Bond Issuance	-	-	-	-	-	-
Sale of Assets	(198)	-	-	-	-	-
Transfers (out)	(30,239)	-	-	-	-	(130,629)
Total other financing sources (uses)	<u>(30,437)</u>	<u>110,344</u>	<u>1,904,617</u>	<u>-</u>	<u>1,986,662</u>	<u>(27,722)</u>
Net change in fund balances	(17,232)	-	-	1,711	(45,565)	(75,624)
Fund balance at beginning of year	132,977	-	-	-	151,813	75,624
Fund balance at end of year	<u>\$ 115,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,711</u>	<u>\$ 106,248</u>	<u>\$ -</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year ended September 30, 2009

	SPECIAL REVENUE					
	CDBG Housing Grant (2470)	Deed Automation Fund (2560)	Budget Stabilization (2570)	Law Library (2610)	Community Corrections (2640)	TNT Drug (2671)
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ -	\$ -	\$ 162,685	\$ -
Federal	-	-	-	-	266,477	-
Federal pass-thru	224,797	-	-	-	-	-
Local Units	-	-	-	-	-	-
Charges for services rendered	-	168,055	-	623	15,180	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	1,560
Fines and forfeiture	-	-	-	6,500	-	729
Investment Income	-	17,936	-	-	-	962
Rentals	-	-	-	-	-	-
Other	7,661	-	-	-	-	21
	<u>232,458</u>	<u>185,991</u>	<u>-</u>	<u>7,123</u>	<u>444,342</u>	<u>3,272</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	33,195	-	-
General County government	-	41,313	-	-	-	-
Public Safety	-	-	-	-	799,955	10,520
Health	-	-	-	-	-	-
Welfare	228,916	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	10,043
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>228,916</u>	<u>41,313</u>	<u>-</u>	<u>33,195</u>	<u>799,955</u>	<u>20,563</u>
Revenues over (under) expenditures	3,542	144,678	-	(26,072)	(355,613)	(17,291)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	26,072	355,613	-
Bond Issuance	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-
Transfers (out)	-	(20,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>26,072</u>	<u>355,613</u>	<u>-</u>
Net change in fund balances	3,542	124,678	-	-	-	(17,291)
Fund balance at beginning of year	-	884,070	2,300,000	-	-	55,025
Fund balance at end of year	<u>\$ 3,542</u>	<u>\$ 1,008,748</u>	<u>\$ 2,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,734</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
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Nonmajor Governmental Funds  
For the Year ended September 30, 2009

	SPECIAL REVENUE					
	Prosecutor Drug (2672)	JAG - ARRA (2675)	WIRED (2730)	Wagner Peyser (2731)	TAA/NAFTA (2733)	Michigan Prisoner Re-entry (2734)
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,643,995
Federal	-	-	-	-	-	-
Federal pass-thru	-	-	111,682	330,194	1,822,967	-
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>111,682</u>	<u>330,194</u>	<u>1,822,967</u>	<u>1,643,995</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public Safety	243	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	111,682	330,194	1,822,967	1,643,995
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>243</u>	<u>-</u>	<u>111,682</u>	<u>330,194</u>	<u>1,822,967</u>	<u>1,643,995</u>
Revenues over (under) expenditures	(243)	-	-	-	-	-
<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>
Net change in fund balances	(243)	-	-	-	-	-
Fund balance at beginning of year	<u>13,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
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Nonmajor Governmental Funds  
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	SPECIAL REVENUE					
	Work Incentive Grant (2735)	Summer Youth A.R.R.A. (2742)	Workfirst (2751)	Food Stamp Program (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ 913,377	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	8,046	932,977	3,077,178	484	458,087	928,923
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>8,046</u>	<u>932,977</u>	<u>3,990,555</u>	<u>484</u>	<u>458,087</u>	<u>928,923</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	8,046	932,977	3,990,555	484	455,561	928,923
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	2,526	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>8,046</u>	<u>932,977</u>	<u>3,990,555</u>	<u>484</u>	<u>458,087</u>	<u>928,923</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>
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>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
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Nonmajor Governmental Funds  
For the Year ended September 30, 2009

	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)
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	863,621	1,373,489	5,815	-	8,193	77,408
Local Units	-	-	-	-	-	-
Charges for services rendered						
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	-	644	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>863,621</u>	<u>1,373,489</u>	<u>5,815</u>	<u>644</u>	<u>8,193</u>	<u>77,408</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	863,621	1,373,489	5,815	644	8,193	77,408
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>863,621</u>	<u>1,373,489</u>	<u>5,815</u>	<u>644</u>	<u>8,193</u>	<u>77,408</u>
Revenues over (under) expenditures	-	-	-	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
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	SPECIAL REVENUE					
	Incumbent Worker Statewide (2768)	WIA SWA TANF Replacement (2770)	WIA-NEG (2775)	WIA ARRA Adult (2776)	WIA ARRA Dislocated Wkr (2777)	WIA ARRA Admin (2778)
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	14,228	298,685	78,420	248,801	409,418	64,058
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>14,228</u>	<u>298,685</u>	<u>78,420</u>	<u>248,801</u>	<u>409,418</u>	<u>64,058</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	14,228	298,685	78,420	248,801	409,418	64,058
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>14,228</u>	<u>298,685</u>	<u>78,420</u>	<u>248,801</u>	<u>409,418</u>	<u>64,058</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>
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>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
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Nonmajor Governmental Funds  
For the Year ended September 30, 2009

	SPECIAL REVENUE					
	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Community Gun Violence (2832)	Revenue Sharing Reserve (2850)	EDC Loan Revolving (2860)	Rambusch-Fuchs CDBG Grant (2873)
<b>Revenues</b>						
Grants						
State	\$ 150,100	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	69,042	-	8,964	-	-	-
Local Units	-	68,237	-	-	-	-
Charges for services rendered	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	333	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	-	-	4,610	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>219,475</u>	<u>68,237</u>	<u>8,964</u>	<u>-</u>	<u>4,610</u>	<u>-</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	3,345	-	-	-
General County government	-	46,220	-	-	62,088	-
Public Safety	238,370	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	1,195	-	5,619	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>239,565</u>	<u>46,220</u>	<u>8,964</u>	<u>-</u>	<u>62,088</u>	<u>-</u>
Revenues over (under) expenditures	(20,090)	22,017	-	-	(57,478)	-
<b>Other financing sources (uses)</b>						
Transfers in	17,255	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-
Transfers (out)	-	-	-	(4,180,574)	-	-
Total other financing sources (uses)	<u>17,255</u>	<u>-</u>	<u>-</u>	<u>(4,180,574)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,835)	22,017	-	(4,180,574)	(57,478)	-
Fund balance at beginning of year	<u>3,950</u>	<u>-</u>	<u>-</u>	<u>7,884,453</u>	<u>267,643</u>	<u>3,549</u>
Fund balance at end of year	<u>\$ 1,115</u>	<u>\$ 22,017</u>	<u>\$ -</u>	<u>\$ 3,703,879</u>	<u>\$ 210,165</u>	<u>\$ 3,549</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
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Nonmajor Governmental Funds  
For the Year ended September 30, 2009

	SPECIAL REVENUE					
	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	\$ -	\$ -	\$ 84,560	\$ -	\$ 917,324	\$ 3,053,421
Federal	-	-	-	-	-	27,511
Federal pass-thru	-	58,150	-	-	-	-
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	-	13,602,637	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	392	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	-	48	-	-
Rentals	-	-	-	16,561	-	-
Other	-	-	-	1,798,669	33,931	284,552
	<u>-</u>	<u>58,150</u>	<u>84,560</u>	<u>15,418,307</u>	<u>951,255</u>	<u>3,365,484</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	58,150	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	15,755,450	962,373	7,254,045
Welfare	-	-	-	-	-	-
Culture	-	-	93,192	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>-</u>	<u>58,150</u>	<u>93,192</u>	<u>15,755,450</u>	<u>962,373</u>	<u>7,254,045</u>
Revenues over (under) expenditures	-	-	(8,632)	(337,143)	(11,118)	(3,888,561)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	8,632	337,143	11,118	3,888,561
Bond Issuance	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,632</u>	<u>337,143</u>	<u>11,118</u>	<u>3,888,561</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>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
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Nonmajor Governmental Funds  
For the Year ended September 30, 2009

	SPECIAL REVENUE			DEBT SERVICE		
	Veteran's Trust (2940)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)
<b>Revenues</b>						
Grants						
State	\$ 23,821	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	4,151	-	-	-
Taxes	-	-	-	1,379,169	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	1,019	45,585	-	361
Rentals	-	266,152	-	-	-	288,860
Other	-	-	-	-	-	-
	<u>23,821</u>	<u>266,152</u>	<u>5,170</u>	<u>1,424,754</u>	<u>-</u>	<u>289,221</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	5,217	-	300	-
Public Safety	-	-	-	-	-	-
Health	-	266,347	-	-	-	-
Welfare	23,821	-	-	-	-	-
Culture	-	-	-	379,476	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	10,430,000	255,000	-
Interest	-	-	-	190,221	242,590	289,221
	<u>23,821</u>	<u>266,347</u>	<u>5,217</u>	<u>10,999,697</u>	<u>497,890</u>	<u>289,221</u>
Revenues over (under) expenditures	-	(195)	(47)	(9,574,943)	(497,890)	-
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	498,498	-
Bond Issuance	-	-	-	7,725,000	-	-
Sale of Assets	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,725,000</u>	<u>498,498</u>	<u>-</u>
Net change in fund balances	-	(195)	(47)	(1,849,943)	608	-
Fund balance at beginning of year	-	2,133	52,538	1,928,904	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,938</u>	<u>\$ 52,491</u>	<u>\$ 78,961</u>	<u>\$ 608</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
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Nonmajor Governmental Funds  
For the Year ended September 30, 2009

	DEBT SERVICE		CAPITAL PROJECTS			
	Halmond Center Debt (3142)	Hall of Justice (4130)	CMH Apple Building (4140)	Laketon Township Sewer (4634)	Muskegon/ Egelston/Dalton Sewer (4641)	Public Improvement (4930)
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	605	-	75,884	65,173	2,842	91,880
Rentals	188,688	-	-	-	-	12,500
Other	-	-	-	-	-	1,793,696
	<u>189,293</u>	<u>-</u>	<u>75,884</u>	<u>65,173</u>	<u>2,842</u>	<u>1,898,076</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	435	-	(285,871)	4,860,449	9,089	-
Welfare	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	208,650
Capital Outlay	-	160,480	4,223,538	-	-	1,233,752
Debt Service						
Principal	175,000	-	-	-	-	-
Interest	13,830	-	-	-	-	-
	<u>189,265</u>	<u>160,480</u>	<u>3,937,667</u>	<u>4,860,449</u>	<u>9,089</u>	<u>1,442,402</u>
Revenues over (under) expenditures	28	(160,480)	(3,861,783)	(4,795,276)	(6,247)	455,674
<b>Other financing sources (uses)</b>						
Transfers in	-	160,480	-	-	-	785,871
Bond Issuance	-	-	6,150,000	-	-	-
Sale of Assets	-	-	-	-	-	-
Transfers (out)	-	-	(285,871)	-	-	(1,500,834)
Total other financing sources (uses)	<u>-</u>	<u>160,480</u>	<u>5,864,129</u>	<u>-</u>	<u>-</u>	<u>(714,963)</u>
Net change in fund balances	28	-	2,002,346	(4,795,276)	(6,247)	(259,289)
Fund balance at beginning of year	<u>1,056</u>	<u>-</u>	<u>-</u>	<u>5,060,050</u>	<u>187,400</u>	<u>6,149,110</u>
Fund balance at end of year	<u>\$ 1,084</u>	<u>\$ -</u>	<u>\$ 2,002,346</u>	<u>\$ 264,774</u>	<u>\$ 181,153</u>	<u>\$ 5,889,821</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year ended September 30, 2009

	CAPITAL PROJECTS			PERMANENT FUNDS		Total All Funds
	Capital Improvement (4960)	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,677,138
Federal	-	-	-	-	-	293,988
Federal pass-thru	-	-	-	-	-	16,627,544
Local Units	-	-	-	-	-	201,817
Charges for services rendered	-	-	7,512	-	-	16,985,229
Taxes	-	-	-	-	-	2,125,988
Contributions from private sources	-	-	-	-	-	10,145
Fines and forfeiture	-	-	-	-	-	7,229
Investment Income	-	-	7,628	939	231	318,340
Rentals	-	-	-	-	10,295	783,056
Other	-	-	-	-	-	4,377,734
	<u>-</u>	<u>-</u>	<u>15,140</u>	<u>939</u>	<u>10,526</u>	<u>50,408,208</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	1,394,033
General County government	-	-	-	484	14,098	4,863,312
Public Safety	-	-	-	-	-	1,902,926
Health	-	-	-	-	-	37,104,314
Welfare	-	-	-	-	-	13,920,901
Culture	-	-	-	-	-	472,668
Recreation	-	-	-	-	-	653,411
Other	180	-	64,230	-	-	273,060
Capital Outlay	-	-	-	-	-	5,808,374
Debt Service						
Principal	-	-	-	-	-	10,860,000
Interest	-	-	-	-	-	735,862
	<u>180</u>	<u>-</u>	<u>64,230</u>	<u>484</u>	<u>14,098</u>	<u>77,988,861</u>
Revenues over (under) expenditures	(180)	-	(49,090)	455	(3,572)	(27,580,653)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	47,882	-	-	10,716,853
Bond Issuance	-	-	-	-	-	13,875,000
Sale of Assets	-	-	-	-	-	3,677
Transfers (out)	-	-	-	-	-	(6,148,147)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>47,882</u>	<u>-</u>	<u>-</u>	<u>18,447,383</u>
Net change in fund balances	(180)	-	(1,208)	455	(3,572)	(9,133,270)
Fund balance at beginning of year	337,628	-	428,616	36,264	14,039	26,012,027
Fund balance at end of year	<u>\$ 337,448</u>	<u>\$ -</u>	<u>\$ 427,408</u>	<u>\$ 36,719</u>	<u>\$ 10,467</u>	<u>\$ 16,878,757</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Cooperative Reimbursement Prosecutor (1150)			Sobriety Court (1170)			Emergency Services (1190)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 212,476	\$ 920	(\$ 211,556)	\$ 64,419	\$ 113,976	\$ 49,557	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	201,232	201,232	80,000	-	(80,000)	267,294	145,980	(121,314)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	87,000	91,236	4,236	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	700	-	(700)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	7,500	775	(6,725)
	<u>212,476</u>	<u>202,152</u>	<u>(10,324)</u>	<u>231,419</u>	<u>205,212</u>	<u>(26,207)</u>	<u>275,494</u>	<u>146,755</u>	<u>(128,739)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	231,419	181,594	49,825	-	-	-
General County government	321,933	316,677	5,256	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	314,436	229,901	84,535
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>321,933</u>	<u>316,677</u>	<u>5,256</u>	<u>231,419</u>	<u>181,594</u>	<u>49,825</u>	<u>151,120</u>	<u>105,417</u>	<u>45,703</u>
	<u>321,933</u>	<u>316,677</u>	<u>5,256</u>	<u>231,419</u>	<u>181,594</u>	<u>49,825</u>	<u>465,556</u>	<u>335,318</u>	<u>130,238</u>
<b>Revenues over (under) expenditures</b>	<b>(109,457)</b>	<b>(114,525)</b>	<b>(5,068)</b>	<b>-</b>	<b>23,618</b>	<b>23,618</b>	<b>(190,062)</b>	<b>(188,563)</b>	<b>1,499</b>
<b>Other financing sources (uses)</b>									
Transfers in	109,457	114,525	5,068	-	-	-	190,330	189,089	(1,241)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>109,457</b>	<b>114,525</b>	<b>5,068</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190,330</b>	<b>189,089</b>	<b>(1,241)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,618</b>	<b>23,618</b>	<b>268</b>	<b>526</b>	<b>258</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,298</b>	<b>1,298</b>	<b>-</b>	<b>22,595</b>	<b>22,595</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,298</b>	<b>\$ 24,916</b>	<b>\$ 23,618</b>	<b>\$ 22,863</b>	<b>\$ 23,121</b>	<b>\$ 258</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	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	\$ 128,170	\$ 124,628	(\$ 3,542)	\$ 170,702	\$ 178,652	\$ 7,950	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	7,000	7,000	-	61,362	48,532	(12,830)	-	-	-
Local units	-	-	-	-	-	-	109,377	108,780	(597)
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	300	300	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	400	-	(400)	-	-	-	-	-	-
	<u>135,570</u>	<u>131,928</u>	<u>(3,642)</u>	<u>232,064</u>	<u>227,184</u>	<u>(4,880)</u>	<u>109,377</u>	<u>108,780</u>	<u>(597)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	169,924	151,626	18,298	276,747	254,751	21,996	218,754	217,560	1,194
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	13,800	17,914	(4,114)	1,500	1,500	-	-	-	-
	<u>183,724</u>	<u>169,540</u>	<u>14,184</u>	<u>278,247</u>	<u>256,251</u>	<u>21,996</u>	<u>218,754</u>	<u>217,560</u>	<u>1,194</u>
<b>Revenues over (under) expenditures</b>	<b>(48,154)</b>	<b>(37,612)</b>	<b>10,542</b>	<b>(46,183)</b>	<b>(29,067)</b>	<b>17,116</b>	<b>(109,377)</b>	<b>(108,780)</b>	<b>597</b>
<b>Other financing sources (uses)</b>									
Transfers in	46,854	35,537	(11,317)	46,183	27,267	(18,916)	109,377	108,780	(597)
Sale of Assets	1,300	2,075	775	-	1,800	1,800	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>48,154</b>	<b>37,612</b>	<b>(10,542)</b>	<b>46,183</b>	<b>29,067</b>	<b>(17,116)</b>	<b>109,377</b>	<b>108,780</b>	<b>(597)</b>
<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>17,723</b>	<b>17,723</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 17,723</b>	<b>\$ 17,723</b>	<b>\$ -</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**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Park Fund (2080)			Prosecutor Family Court (2140)			Family Court (2150)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ 41,151	\$ 62,821	\$ 21,670	\$ 2,080,834	\$ 114,803	(\$ 1,966,031)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	260,000	2,087,636	1,827,636
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	670,222	694,271	24,049	-	-	-	311,750	301,586	(10,164)
Contributions from private sources	-	400	400	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	1,000	727	(273)	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	898	898	-	-	-	64,000	68,846	4,846
	<u>671,222</u>	<u>696,296</u>	<u>25,074</u>	<u>41,151</u>	<u>62,821</u>	<u>21,670</u>	<u>2,716,584</u>	<u>2,572,871</u>	<u>(143,713)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	1,219,912	1,175,899	44,013
General County government	-	-	-	169,107	173,165	(4,058)	3,461,640	3,300,158	161,482
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	662,789	653,411	9,378	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	7,130	29,680	(22,550)	-	-	-	2,000	1,431	569
	<u>669,919</u>	<u>683,091</u>	<u>(13,172)</u>	<u>169,107</u>	<u>173,165</u>	<u>(4,058)</u>	<u>4,683,552</u>	<u>4,477,488</u>	<u>206,064</u>
Revenues over (under) expenditures	1,303	13,205	11,902	(127,956)	(110,344)	17,612	(1,966,968)	(1,904,617)	62,351
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	127,956	110,344	(17,612)	1,966,968	1,904,617	(62,351)
Sale of Assets	(198)	(198)	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	(30,000)	(30,239)	(239)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(30,198)</u>	<u>(30,437)</u>	<u>(239)</u>	<u>127,956</u>	<u>110,344</u>	<u>(17,612)</u>	<u>1,966,968</u>	<u>1,904,617</u>	<u>(62,351)</u>
Net change in fund balances	(28,895)	(17,232)	11,663	-	-	-	-	-	-
Fund balance at beginning of year	132,977	132,977	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ 104,082</u>	<u>\$ 115,745</u>	<u>\$ 11,663</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**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Safe Schools/Healthy Students (2152)			Health Department (2210)			Accommodations Tax (2300)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ 3,146,536	\$ 1,132,055	(\$ 2,014,481)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	2,663,537	2,663,537	-	-	-
Local units	-	-	-	24,800	24,800	-	-	-	-
Charges for services rendered	52,792	52,792	-	2,274,887	2,046,996	(227,891)	-	190	190
Contributions from private sources	-	-	-	7,150	7,160	10	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	586	586	100	680	580
Taxes	-	-	-	285,904	-	(285,904)	799,816	746,819	(52,997)
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	373,955	388,685	14,730	-	-	-
	<u>52,792</u>	<u>52,792</u>	<u>-</u>	<u>6,113,232</u>	<u>6,263,819</u>	<u>150,587</u>	<u>799,916</u>	<u>747,689</u>	<u>(52,227)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	51,562	49,851	1,711	-	-	-	744,911	795,591	(50,680)
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	7,990,183	8,281,997	(291,814)	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	1,230	1,230	-	29,685	14,049	15,636	-	-	-
	<u>52,792</u>	<u>51,081</u>	<u>1,711</u>	<u>8,019,868</u>	<u>8,296,046</u>	<u>(276,178)</u>	<u>744,911</u>	<u>795,591</u>	<u>(50,680)</u>
Revenues over (under) expenditures	-	1,711	1,711	(1,906,636)	(2,032,227)	(125,591)	55,005	(47,902)	(102,907)
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	1,844,197	1,986,662	142,465	-	102,907	102,907
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	(130,629)	(130,629)	-
Total other financing sources (uses)	-	-	-	<u>1,844,197</u>	<u>1,986,662</u>	<u>142,465</u>	<u>(130,629)</u>	<u>(130,629)</u>	<u>102,907</u>
Net change in fund balances	-	1,711	1,711	(62,439)	(45,565)	16,874	(75,624)	(75,624)	-
Fund balance at beginning of year	-	-	-	151,813	151,813	-	75,624	75,624	-
Fund balance at end of year	\$ -	\$ 1,711	\$ 1,711	\$ 89,374	\$ 106,248	\$ 16,874	\$ -	\$ -	\$ -

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	CDBG Housing Grant (2470)			Deed Automation Fund (2560)			Budget Stabilization (2570)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	284,500	224,797	(59,703)	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	170,000	168,055	(1,945)	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	15	-	(15)	20,000	17,936	(2,064)	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	1,703	7,661	5,958	-	-	-	-	-	-
	<u>286,218</u>	<u>232,458</u>	<u>(53,760)</u>	<u>190,000</u>	<u>185,991</u>	<u>(4,009)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	167,495	41,313	126,182	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	286,218	228,916	57,302	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	-	-	-	197,200	-	197,200	-	-	-
	<u>286,218</u>	<u>228,916</u>	<u>57,302</u>	<u>364,695</u>	<u>41,313</u>	<u>323,382</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	-	3,542	3,542	(174,695)	144,678	319,373	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(20,000)	(20,000)	-	(273,000)	-	273,000
<b>Total other financing sources (uses)</b>	-	-	-	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>(273,000)</u>	<u>-</u>	<u>273,000</u>
<b>Net change in fund balances</b>	-	3,542	3,542	(194,695)	124,678	319,373	(273,000)	-	273,000
<b>Fund balance at beginning of year</b>	-	-	-	884,070	884,070	-	2,300,000	2,300,000	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 3,542</u>	<u>\$ 3,542</u>	<u>\$ 689,375</u>	<u>\$ 1,008,748</u>	<u>\$ 319,373</u>	<u>\$ 2,027,000</u>	<u>\$ 2,300,000</u>	<u>\$ 273,000</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Law Library (2610)			Community Corrections (2640)			TNT Drug (2671)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ 200,660	\$ 162,685	(\$ 37,975)	\$ -	\$ -	\$ -
Federal	-	-	-	320,803	266,477	(54,326)	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	600	623	23	15,000	15,180	180	-	-	-
Contributions from private sources	-	-	-	-	-	-	1,200	1,560	360
Fines and forfeitures	6,500	6,500	-	-	-	-	729	729	-
Investment income	-	-	-	-	-	-	1,200	962	(238)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	27,600	-	(27,600)	15	21	6
	<u>7,100</u>	<u>7,123</u>	<u>23</u>	<u>564,063</u>	<u>444,342</u>	<u>(119,721)</u>	<u>3,144</u>	<u>3,272</u>	<u>128</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	35,443	33,195	2,248	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	909,645	799,955	109,690	9,699	10,520	(821)
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	4,300	10,043	(5,743)
	<u>35,443</u>	<u>33,195</u>	<u>2,248</u>	<u>909,645</u>	<u>799,955</u>	<u>109,690</u>	<u>13,999</u>	<u>20,563</u>	<u>(6,564)</u>
<b>Revenues over (under) expenditures</b>	<b>(28,343)</b>	<b>(26,072)</b>	<b>2,271</b>	<b>(345,582)</b>	<b>(355,613)</b>	<b>(10,031)</b>	<b>(10,855)</b>	<b>(17,291)</b>	<b>(6,436)</b>
<b>Other financing sources (uses)</b>									
Transfers in	28,343	26,072	(2,271)	345,582	355,613	10,031	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>28,343</u>	<u>26,072</u>	<u>(2,271)</u>	<u>345,582</u>	<u>355,613</u>	<u>10,031</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>(10,855)</b>	<b>(17,291)</b>	<b>(6,436)</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,025</b>	<b>55,025</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,170</b>	<b>\$ 37,734</b>	<b>(\$ 6,436)</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
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	Prosecutor Drug (2672)			JAG - ARRA (2675)			WIRED (2730)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	174,000	111,682	(62,318)
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>-</u>	<u>-</u>	<u>-</u>	<u>174,000</u>	<u>111,682</u>	<u>(62,318)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	248	243	5	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	174,000	111,682	62,318
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay									
	<u>248</u>	<u>243</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,000</u>	<u>111,682</u>	<u>62,318</u>
Revenues over (under) expenditures	(248)	(243)	5	-	-	-	-	-	-
<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	(248)	(243)	5	-	-	-	-	-	-
Fund balance at beginning of year	13,569	13,569	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ 13,321</u>	<u>\$ 13,326</u>	<u>\$ 5</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**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Wagner Peyser (2731)			TAA/NAFTA (2733)			Michigan Prisoner Re-entry (2734)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,469,717	\$ 1,643,995	\$ 174,278
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	344,844	330,194	(14,650)	1,451,401	1,822,967	371,566	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>344,844</u>	<u>330,194</u>	<u>(14,650)</u>	<u>1,451,401</u>	<u>1,822,967</u>	<u>371,566</u>	<u>1,469,717</u>	<u>1,643,995</u>	<u>174,278</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	344,844	330,194	14,650	1,451,401	1,822,967	(371,566)	1,469,717	1,643,995	(174,278)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>344,844</u>	<u>330,194</u>	<u>14,650</u>	<u>1,451,401</u>	<u>1,822,967</u>	<u>(371,566)</u>	<u>1,469,717</u>	<u>1,643,995</u>	<u>(174,278)</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**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Work Incentive Grant (2735)			S.Y.A.R.R. (2742)			Workfirst (2751)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 860,738	\$ 913,377	\$ 52,639
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	20,000	8,046	(11,954)	-	932,977	932,977	3,122,178	3,077,178	(45,000)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>20,000</u>	<u>8,046</u>	<u>(11,954)</u>	<u>-</u>	<u>932,977</u>	<u>932,977</u>	<u>3,982,916</u>	<u>3,990,555</u>	<u>7,639</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	20,000	8,046	11,954	-	932,977	(932,977)	3,982,916	3,990,555	(7,639)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>20,000</u>	<u>8,046</u>	<u>11,954</u>	<u>-</u>	<u>932,977</u>	<u>(932,977)</u>	<u>3,982,916</u>	<u>3,990,555</u>	<u>(7,639)</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Food Stamp Program (2759)			WIA Admin Pool (2760)			WIA Adult Program (2761)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 3,419	\$ -	(\$ 3,419)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	134,074	484	(133,590)	397,129	458,087	60,958	1,324,912	928,923	(395,989)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>137,493</u>	<u>484</u>	<u>(137,009)</u>	<u>397,129</u>	<u>458,087</u>	<u>60,958</u>	<u>1,324,912</u>	<u>928,923</u>	<u>(395,989)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	137,493	484	137,009	346,076	455,561	(109,485)	1,324,912	928,923	395,989
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	51,053	2,526	48,527	-	-	-
	<u>137,493</u>	<u>484</u>	<u>137,009</u>	<u>397,129</u>	<u>458,087</u>	<u>(60,958)</u>	<u>1,324,912</u>	<u>928,923</u>	<u>395,989</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**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	WIA Youth Programs (2762)			WIA Dislocated Wkr Program (2763)			WIA-SWA-No Worker Left Behind (2764)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	892,994	863,621	(29,373)	976,514	1,373,489	396,975	25,815	5,815	(20,000)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>892,994</u>	<u>863,621</u>	<u>(29,373)</u>	<u>976,514</u>	<u>1,373,489</u>	<u>396,975</u>	<u>25,815</u>	<u>5,815</u>	<u>(20,000)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	892,994	863,621	29,373	976,514	1,373,489	(396,975)	25,815	5,815	20,000
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay									
	<u>892,994</u>	<u>863,621</u>	<u>29,373</u>	<u>976,514</u>	<u>1,373,489</u>	<u>(396,975)</u>	<u>25,815</u>	<u>5,815</u>	<u>20,000</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**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Strategic Planning (2765)			WIA Youth Statewide (2766)			WIA Service Center Operations (2767)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	7,145	8,193	1,048	86,750	77,408	(9,342)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	1,250	644	(606)	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,250</u>	<u>644</u>	<u>(606)</u>	<u>7,145</u>	<u>8,193</u>	<u>1,048</u>	<u>86,750</u>	<u>77,408</u>	<u>(9,342)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	1,250	644	606	7,145	8,193	(1,048)	86,750	77,408	9,342
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>1,250</u>	<u>644</u>	<u>606</u>	<u>7,145</u>	<u>8,193</u>	<u>(1,048)</u>	<u>86,750</u>	<u>77,408</u>	<u>9,342</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**  
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**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Incumbent Worker Statewide (2768)			WIA SWA TANF Replacement (2770)			WIA-NEG (2775)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	103,399	14,228	(89,171)	239,942	298,685	58,743	-	78,420	78,420
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>103,399</u>	<u>14,228</u>	<u>(89,171)</u>	<u>239,942</u>	<u>298,685</u>	<u>58,743</u>	<u>-</u>	<u>78,420</u>	<u>78,420</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	103,399	14,228	89,171	239,942	298,685	(58,743)	-	78,420	(78,420)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>103,399</u>	<u>14,228</u>	<u>89,171</u>	<u>239,942</u>	<u>298,685</u>	<u>(58,743)</u>	<u>-</u>	<u>78,420</u>	<u>(78,420)</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	WIA ARRA Adult (2776)			WIA ARRA Dislocated Wkr (2777)			WIA ARRA Admin (2778)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	248,801	248,801	-	409,418	409,418	-	64,058	64,058
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>248,801</u>	<u>248,801</u>	<u>-</u>	<u>409,418</u>	<u>409,418</u>	<u>-</u>	<u>64,058</u>	<u>64,058</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	248,801	(248,801)	-	409,418	(409,418)	-	64,058	(64,058)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>-</u>	<u>248,801</u>	<u>(248,801)</u>	<u>-</u>	<u>409,418</u>	<u>(409,418)</u>	<u>-</u>	<u>64,058</u>	<u>(64,058)</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Crime Victim's Rights (2800)			Muskegon Area Stormwater Committee (2823)			Community Gun Violence (2832)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 155,000	\$ 150,100	(\$ 4,900)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	69,941	69,042	(899)	-	-	-	11,916	8,964	(2,952)
Local units	-	-	-	-	68,237	68,237	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	333	333	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>225,274</u>	<u>219,475</u>	<u>(5,799)</u>	<u>-</u>	<u>68,237</u>	<u>68,237</u>	<u>11,916</u>	<u>8,964</u>	<u>(2,952)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	5,916	3,345	2,571
General County government	-	-	-	-	46,220	(46,220)	-	-	-
Public safety	239,686	238,370	1,316	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	-	1,195	(1,195)	-	-	-	6,000	5,619	381
	<u>239,686</u>	<u>239,565</u>	<u>121</u>	<u>-</u>	<u>46,220</u>	<u>(46,220)</u>	<u>11,916</u>	<u>8,964</u>	<u>2,952</u>
<b>Revenues over (under) expenditures</b>	<b>(14,412)</b>	<b>(20,090)</b>	<b>(5,678)</b>	<b>-</b>	<b>22,017</b>	<b>22,017</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	11,361	17,255	5,894	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>11,361</b>	<b>17,255</b>	<b>5,894</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(3,051)</b>	<b>(2,835)</b>	<b>216</b>	<b>-</b>	<b>22,017</b>	<b>22,017</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>3,950</b>	<b>3,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 899</b>	<b>\$ 1,115</b>	<b>\$ 216</b>	<b>\$ -</b>	<b>\$ 22,017</b>	<b>\$ 22,017</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
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**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Revenue Sharing Reserve (2850)			EDC Loan Revolving (2860)			Rambusch-Fuchs CDBG Grant (2873)		
	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	-	-	-	5,000	4,610	(390)	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>4,610</u>	<u>(390)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	36,122	62,088	(25,966)	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,122</u>	<u>62,088</u>	<u>(25,966)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31,122)</b>	<b>(57,478)</b>	<b>(26,356)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	(3,982,447)	(4,180,574)	(198,127)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(3,982,447)</u>	<u>(4,180,574)</u>	<u>(198,127)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<b>(3,982,447)</b>	<b>(4,180,574)</b>	<b>(198,127)</b>	<b>(31,122)</b>	<b>(57,478)</b>	<b>(26,356)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>7,884,453</b>	<b>7,884,453</b>	<b>-</b>	<b>267,643</b>	<b>267,643</b>	<b>-</b>	<b>3,549</b>	<b>3,549</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 3,902,006</b>	<b>\$ 3,703,879</b>	<b>(\$ 198,127)</b>	<b>\$ 236,521</b>	<b>\$ 210,165</b>	<b>(\$ 26,356)</b>	<b>\$ 3,549</b>	<b>\$ 3,549</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Downtown Redevelopment Project (2876)			Digital Divide Investment Program (2881)			Remonumentation Program (2890)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,358	\$ 84,560	\$ 19,202
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	217,123	-	(217,123)	136,874	58,150	(78,724)	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>217,123</u>	<u>-</u>	<u>(217,123)</u>	<u>136,874</u>	<u>58,150</u>	<u>(78,724)</u>	<u>65,358</u>	<u>84,560</u>	<u>19,202</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	136,874	58,150	78,724	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	73,358	93,192	(19,834)
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>217,123</u>	<u>-</u>	<u>217,123</u>	<u>136,874</u>	<u>58,150</u>	<u>78,724</u>	<u>73,358</u>	<u>93,192</u>	<u>(19,834)</u>
Revenues over (under) expenditures	-	-	-	-	-	-	(8,000)	(8,632)	(632)
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	8,000	8,632	632
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>8,000</u>	<u>8,632</u>	<u>632</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**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Brookhaven (2900)			Social Welfare (2910)			Child Care Facility (2920)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ 1,060,000	\$ 917,324	(\$ 142,676)	\$ 2,718,105	\$ 3,053,421	\$ 335,316
Federal	-	-	-	-	-	-	27,500	27,511	11
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	13,882,562	13,602,637	(279,925)	-	-	-	-	-	-
Contributions from private sources	50	392	342	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	100	48	(52)	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	16,000	16,561	561	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	1,794,500	1,798,669	4,169	40,000	33,931	(6,069)	289,863	284,552	(5,311)
	<u>15,693,212</u>	<u>15,418,307</u>	<u>(274,905)</u>	<u>1,100,000</u>	<u>951,255</u>	<u>(148,745)</u>	<u>3,035,468</u>	<u>3,365,484</u>	<u>330,016</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	15,693,212	15,755,450	(62,238)	1,112,753	962,373	150,380	7,059,196	7,254,045	(194,849)
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>15,693,212</u>	<u>15,755,450</u>	<u>(62,238)</u>	<u>1,112,753</u>	<u>962,373</u>	<u>150,380</u>	<u>7,059,196</u>	<u>7,254,045</u>	<u>(194,849)</u>
<b>Revenues over (under) expenditures</b>	-	(337,143)	(337,143)	(12,753)	(11,118)	1,635	(4,023,728)	(3,888,561)	135,167
<b>Other financing sources (uses)</b>									
Transfers in	-	337,143	337,143	12,753	11,118	(1,635)	4,023,728	3,888,561	(135,167)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>337,143</u>	<u>337,143</u>	<u>12,753</u>	<u>11,118</u>	<u>(1,635)</u>	<u>4,023,728</u>	<u>3,888,561</u>	<u>(135,167)</u>
<b>Net change in fund balances</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Veterans Trust (2940)			Mental Health Buildings (2970)			Victim Restitution (2980)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 31,495	\$ 23,821	(\$ 7,674)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	4,500	4,151	(349)
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	1,000	1,019	19
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	254,152	266,152	12,000	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>31,495</u>	<u>23,821</u>	<u>(7,674)</u>	<u>254,152</u>	<u>266,152</u>	<u>12,000</u>	<u>5,500</u>	<u>5,170</u>	<u>(330)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	5,000	5,217	(217)
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	257,363	266,347	(8,984)	-	-	-
Welfare	30,812	23,821	6,991	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>30,812</u>	<u>23,821</u>	<u>6,991</u>	<u>257,363</u>	<u>266,347</u>	<u>(8,984)</u>	<u>5,000</u>	<u>5,217</u>	<u>(217)</u>
Revenues over (under) expenditures	683	-	(683)	(3,211)	(195)	3,016	500	(47)	(547)
<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	683	-	(683)	(3,211)	(195)	3,016	500	(47)	(547)
Fund balance at beginning of year	-	-	-	2,133	2,133	-	52,538	52,538	-
Fund balance at end of year	\$ 683	\$ -	(\$ 683)	(\$ 1,078)	\$ 1,938	\$ 3,016	\$ 53,038	\$ 52,491	(\$ 547)

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	Quality of Life (3111)			Hall of Justice Debt (3130)			CMH Building (3140)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	50,000	45,585	(4,415)	-	-	-	300	361	61
Taxes	1,381,521	1,379,169	(2,352)	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	290,559	288,860	(1,699)
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,431,521</u>	<u>1,424,754</u>	<u>(6,767)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>290,859</u>	<u>289,221</u>	<u>(1,638)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	250	300	(50)	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	300	-	300
Welfare	-	-	-	-	-	-	-	-	-
Culture	500	379,476	(378,976)	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	1,005,000	10,430,000	(9,425,000)	255,000	255,000	-	-	-	-
Interest	474,882	190,221	284,661	243,248	242,590	658	290,559	289,221	1,338
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>1,480,382</u>	<u>10,999,697</u>	<u>(9,519,315)</u>	<u>498,498</u>	<u>497,890</u>	<u>608</u>	<u>290,859</u>	<u>289,221</u>	<u>1,638</u>
Revenues over (under) expenditures	(48,861)	(9,574,943)	(9,526,082)	(498,498)	(497,890)	608	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	498,498	498,498	-	1,136,337	-	(1,136,337)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	7,725,000	7,725,000	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>7,725,000</u>	<u>7,725,000</u>	<u>498,498</u>	<u>498,498</u>	<u>-</u>	<u>1,136,337</u>	<u>-</u>	<u>(1,136,337)</u>
Net change in fund balances	(48,861)	(1,849,943)	(1,801,082)	-	608	608	1,136,337	-	(1,136,337)
Fund balance at beginning of year	1,928,904	1,928,904	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ 1,880,043</u>	<u>\$ 78,961</u>	<u>(\$ 1,801,082)</u>	<u>\$ -</u>	<u>\$ 608</u>	<u>\$ 608</u>	<u>\$ 1,136,337</u>	<u>\$ -</u>	<u>(\$ 1,136,337)</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2009**

	<b>Halmond Center Debt</b> <b>(3142)</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<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	580	605	25
Taxes	-	-	-
Rentals	188,103	188,688	585
Special assessments	-	-	-
Other	-	-	-
	<u>188,683</u>	<u>189,293</u>	<u>610</u>
<b>Expenditures</b>			
<b>Current operations</b>			
Judicial	-	-	-
General County government	-	-	-
Public safety	-	-	-
Health	885	435	450
Welfare	-	-	-
Culture	-	-	-
Recreation	-	-	-
Other	-	-	-
<b>Debt Service</b>			
Principal	175,000	175,000	-
Interest	13,854	13,830	24
Capital outlay	-	-	-
	<u>189,739</u>	<u>189,265</u>	<u>474</u>
<b>Revenues over (under) expenditures</b>	<b>(1,056)</b>	<b>28</b>	<b>1,084</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Sale of Assets	-	-	-
Bond Issuance	-	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<b>(1,056)</b>	<b>28</b>	<b>1,084</b>
<b>Fund balance at beginning of year</b>	<u>1,056</u>	<u>1,056</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 1,084</u>	<u>\$ 1,084</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, 2009*

	<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	31,622	31,622	-	(31,622)
Fines and forfeitures	-	-	-	-
Investment income	9,265	5,500	1,441	(4,059)
Rentals	-	-	-	-
Special assessments	1,757,228	2,114,488	3,125,000	1,010,512
Contributions from private sources	-	-	-	-
Other	525	2,070	-	(2,070)
<b>Total revenues</b>	<b>1,798,640</b>	<b>2,153,680</b>	<b>3,126,441</b>	<b>972,761</b>
<b>Expenditures</b>				
<b>Current operations</b>				
Legislative	-	-	-	-
Judicial	-	-	-	-
General County government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture	-	-	-	-
Recreation	-	-	-	-
Other	1,505	3,070	-	3,070
Capital outlay	-	-	-	-
Debt service				
Principal payments	430,000	615,000	615,000	-
Interest	1,327,228	1,499,488	-	1,499,488
Other	320	320	714	(394)
<b>Total expenditures</b>	<b>1,759,053</b>	<b>2,117,878</b>	<b>615,714</b>	<b>1,502,164</b>
<b>Revenues over (under) expenditures</b>	<b>39,587</b>	<b>35,802</b>	<b>2,510,727</b>	<b>2,474,925</b>
<b>Other financing sources (uses)</b>				
Sales of Capital Assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Net change in fund balances</b>	<b>39,587</b>	<b>35,802</b>	<b>2,510,727</b>	<b>2,474,925</b>
<b>Fund balance at beginning of year</b>	<b>94,042</b>	<b>94,042</b>	<b>94,042</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 133,629</b>	<b>\$ 129,844</b>	<b>\$ 2,604,769</b>	<b>\$ 2,474,925</b>

## NONMAJOR 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, 5110,5166,5167)--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.

Solid Waste (5710)--to record revenues received from, and the expenses made for, the operations of a solid waste system. Monies for the operation of the system are received from customers.

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

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*County of Muskegon*

*Other Nonmajor Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2009*

				2006	2007
	Fairgrounds	Delinquent	Tax	Delinquent	Delinquent
	Operation	Tax	Forfeitures	Tax	Tax
ASSETS	(5083)	Revolving	(5110)	Revolving	Revolving
		(5100)		(5166)	(5167)
<b>CURRENT ASSETS</b>					
Cash and cash investments	\$ 726,727	\$ -	\$ 219,415	\$ -	\$ 1,232,132
Investments	242,242	-	73,139	-	410,711
Accounts receivable	-	-	93,602	-	-
Accrued interest receivable	854	194	613	-	7,813
Current portion of delinquent taxes receivable	-	198,617	-	-	2,292,084
Current portion of interest and penalties receivable on delinquent taxes	-	59,988	-	-	527,179
Due from other funds	-	-	-	-	7,000,000
Inventories	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Restricted assets	-	-	-	-	-
<b>Total current assets</b>	<b>969,823</b>	<b>258,799</b>	<b>386,769</b>	<b>-</b>	<b>11,469,919</b>
<b>NONCURRENT ASSETS</b>					
<b>Property and Equipment - at cost</b>					
Land	-	-	-	-	-
Land improvements	676,091	-	-	-	-
Buildings	1,857,953	-	-	-	-
Machinery and equipment	92,041	-	-	-	-
<b>Total Property and Equipment</b>	<b>2,626,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less accumulated depreciation	(1,258,100)	-	-	-	-
<b>Property and Equipment - net</b>	<b>1,367,985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ADVANCES TO OTHER FUNDS</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>498,214</b>
<b>DELINQUENT TAXES RECEIVABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>764,029</b>
<b>INTEREST AND PENALTIES RECEIVABLE</b>					
<b>ON DELINQUENT TAXES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,727</b>
<b>Total noncurrent assets</b>	<b>1,367,985</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>1,437,970</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,337,808</b>	<b>\$ 258,799</b>	<b>\$ 686,769</b>	<b>\$ -</b>	<b>\$ 12,907,889</b>

*County of Muskegon*

*Other Nonmajor Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2009*

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2006 Delinquent Tax Revolving (5166)	2007 Delinquent Tax Revolving (5167)
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 1,894	\$ -	\$ 107,379	\$ -	\$ -
Accrued liabilities	36	-	794	-	46,278
Due to other funds	-	17,302	-	-	-
Current portion of accrued closure costs	-	-	-	-	-
Current portion of long term debt	-	-	-	-	3,500,000
<b>Total current liabilities</b>	<b>1,930</b>	<b>17,302</b>	<b>108,173</b>	<b>-</b>	<b>3,546,278</b>
<b>NONCURRENT LIABILITIES</b>					
Accrued closure costs	-	-	-	-	-
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>1,930</b>	<b>17,302</b>	<b>108,173</b>	<b>-</b>	<b>3,546,278</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	1,367,985	-	-	-	-
Unreserved	967,893	241,497	578,596	-	9,361,611
<b>TOTAL NET ASSETS</b>	<b>\$ 2,335,878</b>	<b>\$ 241,497</b>	<b>\$ 578,596</b>	<b>\$ -</b>	<b>\$ 9,361,611</b>

*County of Muskegon*

*Other Nonmajor Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2009*

ASSETS	Muskegon County Land Bank (5500)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Trolley Company (5890)	Totals
<b>CURRENT ASSETS</b>					
Cash and cash investments	\$ 10,433	\$ 8,618,140	\$ 929,996	\$ 94,572	\$ 11,831,415
Investments	275,280	1,176,977	309,999	31,524	2,519,872
Accounts receivable	51,476	350,966	-	-	496,044
Accrued interest receivable	13,679	8,504	1,101	105	32,863
Current portion of delinquent taxes receivable	1,026	-	-	-	2,491,727
Current portion of interest and penalties receivable on delinquent taxes	-	-	-	-	587,167
Due from other funds	-	-	-	-	7,000,000
Inventories	-	4,628	-	-	4,628
Prepaid expenses	415	-	-	-	415
Restricted assets	-	1,528,893	132,650	-	1,661,543
<b>Total current assets</b>	<u>352,309</u>	<u>11,688,108</u>	<u>1,373,746</u>	<u>126,201</u>	<u>26,625,674</u>
<b>NONCURRENT ASSETS</b>					
Property and Equipment - at cost					
Land	-	909,629	-	-	909,629
Land improvements	-	6,407,794	-	-	7,083,885
Buildings	-	915,301	151,353	-	2,924,607
Machinery and equipment	-	3,988,393	55,433	45,000	4,180,867
<b>Total Property and Equipment</b>	-	<u>12,221,117</u>	<u>206,786</u>	<u>45,000</u>	<u>15,098,988</u>
Less accumulated depreciation	-	(6,422,819)	(118,812)	(23,625)	(7,823,356)
<b>Property and Equipment - net</b>	-	<u>5,798,298</u>	<u>87,974</u>	<u>21,375</u>	<u>7,275,632</u>
<b>ADVANCES TO OTHER FUNDS</b>	-	-	-	-	798,214
<b>DELINQUENT TAXES RECEIVABLE</b>	-	-	-	-	764,029
<b>INTEREST AND PENALTIES RECEIVABLE ON DELINQUENT TAXES</b>	-	-	-	-	175,727
<b>Total noncurrent assets</b>	-	<u>5,798,298</u>	<u>87,974</u>	<u>21,375</u>	<u>9,013,602</u>
<b>TOTAL ASSETS</b>	<u>\$ 352,309</u>	<u>\$ 17,486,406</u>	<u>\$ 1,461,720</u>	<u>\$ 147,576</u>	<u>\$ 35,639,276</u>

*County of Muskegon*

*Other Nonmajor Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2009*

	Muskegon County Land Bank (5500)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Trolley Company (5890)	Totals
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 571	\$ 30,854	\$ -	\$ -	\$ 140,698
Accrued liabilities	3,015	121,986	5,292	561	177,962
Due to other funds	-	-	-	-	17,302
Current portion of accrued closure costs	-	196,241	-	-	196,241
Current portion of long term debt	-	-	-	-	3,500,000
<b>Total current liabilities</b>	<b>3,586</b>	<b>349,081</b>	<b>5,292</b>	<b>561</b>	<b>4,032,203</b>
<b>NONCURRENT LIABILITIES</b>					
Accrued closure costs	-	7,219,880	-	-	7,219,880
Long term advances from other funds	300,000	-	-	-	300,000
<b>Total noncurrent liabilities</b>	<b>300,000</b>	<b>7,219,880</b>	<b>-</b>	<b>-</b>	<b>7,519,880</b>
<b>TOTAL LIABILITIES</b>	<b>303,586</b>	<b>7,568,961</b>	<b>5,292</b>	<b>561</b>	<b>11,552,083</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	-	5,798,298	87,974	21,375	7,275,632
Unreserved	48,723	4,119,147	1,368,454	125,640	16,811,561
<b>TOTAL NET ASSETS</b>	<b>\$ 48,723</b>	<b>\$ 9,917,445</b>	<b>\$ 1,456,428</b>	<b>\$ 147,015</b>	<b>\$ 24,087,193</b>

*County of Muskegon*

*Other Nonmajor Proprietary Funds*

*Statement of Revenues, Expenses*

*and Changes in Fund Net Assets*

*For the the Year ended September 30, 2009*

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2006 Delinquent Tax Revolving (5166)	2007 Delinquent Tax Revolving (5167)
<b>Operating revenues</b>					
Charges for services	\$ -	\$ -	\$ 689,525	\$ -	\$ 87,399
Interest and penalties on delinquent taxes	-	5,650	-	-	1,165,394
Other	34,530	-	-	-	-
	<u>34,530</u>	<u>5,650</u>	<u>689,525</u>	<u>-</u>	<u>1,252,793</u>
<b>Operating expenses</b>					
Salaries and fringe benefits	5,912	-	15,531	-	-
Supplies and other operating expenses	59,040	2,872	455,683	-	14,164
Interest expense	-	-	-	-	282,738
Depreciation and amortization	63,511	-	-	-	-
	<u>128,463</u>	<u>2,872</u>	<u>471,214</u>	<u>-</u>	<u>296,902</u>
<b>Operating income (loss)</b>	(93,933)	2,778	218,311	-	955,891
<b>Non-Operating revenues (expenses)</b>					
Operating subsidies	-	-	-	-	-
Interest income	20,950	10,109	9,061	-	177,969
Interest expense	(37,745)	-	-	-	-
Other (net)	-	-	-	-	-
	<u>(16,795)</u>	<u>10,109</u>	<u>9,061</u>	<u>-</u>	<u>177,969</u>
<b>Income (loss) before contributions and transfers</b>	<u>(110,728)</u>	<u>12,887</u>	<u>227,372</u>	<u>-</u>	<u>1,133,860</u>
Capital contributions	-	-	-	-	-
Transfers in	-	-	-	-	8,576,847
Transfers (out)	-	(50,000)	(237,848)	(8,552,813)	(1,799,399)
	<u>-</u>	<u>(50,000)</u>	<u>(237,848)</u>	<u>(8,552,813)</u>	<u>6,777,448</u>
<b>Change in net assets</b>	(110,728)	(37,113)	(10,476)	(8,552,813)	7,911,308
<b>Net Assets at beginning of year</b>	2,446,606	278,610	589,072	8,552,813	1,450,303
<b>Net Assets at end of year</b>	<u>\$ 2,335,878</u>	<u>\$ 241,497</u>	<u>\$ 578,596</u>	<u>\$ -</u>	<u>\$ 9,361,611</u>

*County of Muskegon*

*Other Nonmajor Proprietary Funds*

*Statement of Revenues, Expenses*

*and Changes in Fund Net Assets*

*For the the Year ended September 30, 2009*

	Muskegon County Land Bank (5500)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Trolley Company (5890)	Totals
<b>Operating revenues</b>					
Charges for services	\$ 101,071	\$ 3,414,245	\$ -	\$ 39,562	\$ 4,331,802
Interest and penalties on delinquent taxes	-	-	-	-	1,171,044
Other	-	-	-	-	34,530
	<u>101,071</u>	<u>3,414,245</u>	<u>-</u>	<u>39,562</u>	<u>5,537,376</u>
<b>Operating expenses</b>					
Salaries and fringe benefits	-	797,451	52,980	9,586	881,460
Supplies and other operating expenses	64,815	2,299,736	11,086	7,463	2,914,859
Interest expense	-	-	-	-	282,738
Depreciation and amortization	-	659,879	3,784	4,500	731,674
	<u>64,815</u>	<u>3,757,066</u>	<u>67,850</u>	<u>21,549</u>	<u>4,810,731</u>
<b>Operating income (loss)</b>	36,256	(342,821)	(67,850)	18,013	726,645
<b>Non-Operating revenues (expenses)</b>					
Operating subsidies	-	-	-	-	-
Interest income	13,935	186,248	24,176	2,047	444,495
Interest expense	(1,468)	-	-	-	(39,213)
Other (net)	-	52,666	-	-	52,666
	<u>12,467</u>	<u>238,914</u>	<u>24,176</u>	<u>2,047</u>	<u>457,948</u>
<b>Income (loss) before contributions and transfers</b>	<u>48,723</u>	<u>(103,907)</u>	<u>(43,674)</u>	<u>20,060</u>	<u>1,184,593</u>
<b>Capital contributions</b>	-	-	-	-	-
Transfers in	-	30,239	-	-	8,607,086
Transfers (out)	-	-	-	-	(10,640,060)
	<u>-</u>	<u>30,239</u>	<u>-</u>	<u>-</u>	<u>(2,032,974)</u>
<b>Change in net assets</b>	48,723	(73,668)	(43,674)	20,060	(848,381)
<b>Net Assets at beginning of year</b>	-	9,991,113	1,500,102	126,955	24,935,574
<b>Net Assets at end of year</b>	<u>\$ 48,723</u>	<u>\$ 9,917,445</u>	<u>\$ 1,456,428</u>	<u>\$ 147,015</u>	<u>\$ 24,087,193</u>

*County of Muskegon*

*Other Nonmajor Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS**

*For the Year ended September 30, 2009*

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2006 Delinquent Tax Revolving (5166)	2007 Delinquent Tax Revolving (5167)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ -	\$ 5,650	\$ 595,923	\$ 15,883	\$ 1,252,793
Cash Payments to Suppliers of Goods and Services	(60,479)	(2,872)	(349,554)	(26,250)	(14,164)
Cash Payments to Employees for Services	(8,130)	-	(14,737)	-	-
Interest paid	-	-	-	-	(381,904)
Other receipts (payments)	65,529	(86,460)	-	-	-
Net cash provided by (used for) Operating Activities	<u>(3,080)</u>	<u>(83,682)</u>	<u>231,632</u>	<u>(10,367)</u>	<u>856,725</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Tax collections	-	-	-	7,499,346	6,205,080
Note payments	-	-	-	(1,500,000)	(7,500,000)
Increase in investments	-	-	-	-	-
Long Term Advance from (to) other funds	-	-	-	-	(498,214)
Operating Subsidies and Grants	-	-	-	-	-
Interest paid	-	-	-	-	-
Transfers to other funds	-	(50,000)	(237,848)	(8,552,813)	(1,799,399)
Transfers from other funds	-	-	-	-	8,576,847
Advances from (to) other funds	-	-	-	-	(7,000,000)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>(50,000)</u>	<u>(237,848)</u>	<u>(2,553,467)</u>	<u>(2,015,686)</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payments on long term debt	(185,000)	-	-	-	-
Capital contributions	-	-	-	-	-
Purchase of capital assets	-	-	-	-	-
Interest payments on long term debt	(42,562)	-	-	-	-
Construction in progress	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(227,562)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*County of Muskegon*

*Other Nonmajor Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

*For the Year ended September 30, 2009*

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2006 Delinquent Tax Revolving (5166)	2007 Delinquent Tax Revolving (5167)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	1,671,219	7,060	465,799	1,474,689	3,201,712
Purchase of investments	(1,231,245)	-	(371,740)	-	(2,087,519)
Interest received from investment pool	23,377	10,509	10,498	21,267	172,659
Net cash provided by investing activities	<u>463,351</u>	<u>17,569</u>	<u>104,557</u>	<u>1,495,956</u>	<u>1,286,852</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	232,709	(116,113)	98,341	(1,067,878)	127,891
Cash and cash equivalents, September 30, 2008	<u>494,018</u>	<u>116,113</u>	<u>121,074</u>	<u>1,067,878</u>	<u>1,104,241</u>
Cash and cash equivalents, September 30, 2009	<u><u>\$ 726,727</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 219,415</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,232,132</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	<u>(\$ 93,933)</u>	<u>\$ 2,778</u>	<u>\$ 218,311</u>	<u>\$ -</u>	<u>\$ 955,891</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	-	(103,762)	(93,602)	15,883	-
(Increase) decrease in inventories	-	-	-	-	-
Increase (decrease) in accounts payable	(1,440)	-	106,129	-	-
Increase (decrease) in due to other funds	-	17,302	-	-	-
(Increase) decrease in prepaid expenses	31,000	-	-	-	-
(Increase) decrease in restricted assets	-	-	-	-	-
Increase (decrease) in closure costs	-	-	794	-	-
Increase (decrease) in accruals	(2,218)	-	-	(26,250)	(99,166)
Total Adjustments	<u>90,853</u>	<u>(86,460)</u>	<u>13,321</u>	<u>(10,367)</u>	<u>(99,166)</u>
Net cash provided by (used for) operations	<u><u>(\$ 3,080)</u></u>	<u><u>(\$ 83,682)</u></u>	<u><u>\$ 231,632</u></u>	<u><u>(\$ 10,367)</u></u>	<u><u>\$ 856,725</u></u>

*County of Muskegon*

*Other Nonmajor Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS**

*For the Year ended September 30, 2009*

	Muskegon County Land Bank (5500)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Trolley Company (5890)	Totals
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 49,595	\$ 3,519,880	\$ -	\$ 39,562	\$ 5,479,286
Cash Payments to Suppliers of Goods and Services	(63,440)	(3,936,285)	(10,777)	(7,548)	(4,471,369)
Cash Payments to Employees for Services	-	(819,079)	(48,122)	(9,590)	(899,658)
Interest paid	-	-	-	-	(381,904)
Other receipts (payments)	-	-	-	-	(20,931)
Net cash provided by (used for) Operating Activities	<u>(13,845)</u>	<u>(1,235,484)</u>	<u>(58,899)</u>	<u>22,424</u>	<u>(294,576)</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Tax collections	-	-	-	-	13,704,426
Note payments	-	-	-	-	(9,000,000)
Increase in investments	(9,682)	-	-	-	(9,682)
Long Term Advance from (to) other funds	-	-	-	-	(498,214)
Operating Subsidies and Grants	-	-	-	-	-
Interest paid	(1,468)	-	-	-	(1,468)
Transfers to other funds	-	-	-	-	(10,640,060)
Transfers from other funds	-	30,239	-	-	8,607,086
Advances from (to) other funds	-	-	-	-	(7,000,000)
Net cash provided by (used for) noncapital financing activities	<u>(11,150)</u>	<u>30,239</u>	<u>-</u>	<u>-</u>	<u>(4,837,912)</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payments on long term debt	-	-	-	-	(185,000)
Capital contributions	-	-	-	-	0
Purchase of capital assets	-	(250,350)	-	-	-250,350
Interest payments on long term debt	-	-	-	-	(42,562)
Construction in progress	-	-	-	-	-
Sale of fixed assets	-	52,666	-	-	52,666
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(197,684)</u>	<u>-</u>	<u>-</u>	<u>(425,246)</u>

*County of Muskegon*

*Other Nonmajor Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

*For the Year ended September 30, 2009*

	Muskegon County Land Bank (5500)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Trolley Company (5890)	Totals
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	22,936	20,797,952	2,003,574	187,554	29,832,495
Purchase of investments	(17,676)	(14,601,140)	(1,575,630)	(160,227)	(20,045,177)
Interest received from investment pool	13,935	208,753	26,578	2,204	489,780
Net cash provided by investing activities	<u>19,195</u>	<u>6,405,565</u>	<u>454,522</u>	<u>29,531</u>	<u>10,277,098</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(5,800)	5,002,636	395,623	51,955	4,719,364
Cash and cash equivalents, September 30, 2008	<u>16,233</u>	<u>3,615,504</u>	<u>534,373</u>	<u>42,617</u>	<u>7,112,051</u>
Cash and cash equivalents, September 30, 2009	<u><u>\$ 10,433</u></u>	<u><u>\$ 8,618,140</u></u>	<u><u>\$ 929,996</u></u>	<u><u>\$ 94,572</u></u>	<u><u>\$ 11,831,415</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	<u>\$ 36,256</u>	<u>(\$ 342,821)</u>	<u>(\$ 67,850)</u>	<u>\$ 18,013</u>	<u>\$ 726,645</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	-	659,879	3,784	4,500	731,674
<b>Changes in Assets and Liabilities:</b>					
(Increase) decrease in accounts receivable	(52,502)	105,635	-	-	(128,348)
(Increase) decrease in inventories	-	2,614	-	-	2,614
Increase (decrease) in accounts payable	(199)	(566,152)	-	(85)	(461,747)
Increase (decrease) in due to other funds	-	-	-	-	17,302
(Increase) decrease in prepaid expenses	(415)	-	-	-	30,585
(Increase) decrease in restricted assets	-	(96,977)	309	-	(96,668)
Increase (decrease) in closure costs	-	(976,034)	-	-	(975,240)
Increase (decrease) in accruals	3,015	(21,628)	4,858	(4)	(141,393)
Total Adjustments	<u>(50,101)</u>	<u>(892,663)</u>	<u>8,951</u>	<u>4,411</u>	<u>(1,021,221)</u>
Net cash provided by (used for) operations	<u><u>(\$ 13,845)</u></u>	<u><u>(\$ 1,235,484)</u></u>	<u><u>(\$ 58,899)</u></u>	<u><u>\$ 22,424</u></u>	<u><u>(\$ 294,576)</u></u>

## **INTERNAL SERVICE FUNDS**

Office Services (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.

Sheriff Garage (6345)--to accounts for the operations of an automotive repair facility run by the sheriff's department. The fund is self-sustaining with the revenues generated to be used for maintaining sheriff and other County vehicles.

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, 2009*

ASSETS	Office Services (6330)	County South Campus (6340)	Sheriff Garage (6345)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	\$ 98,774	\$ 43,944	\$ 8,356	\$ 1,647,812	\$ 6,670,156	\$ 1,412,423	\$ 9,881,465
Investments	32,925	14,648	2,785	549,271	2,223,385	470,807	3,293,821
Accounts receivable	995	-	-	59	68,617	90,525	160,196
Accrued interest receivable	34	-	-	1,336	7,282	-	8,652
Total current assets	<u>132,728</u>	<u>58,592</u>	<u>11,141</u>	<u>2,198,478</u>	<u>8,969,440</u>	<u>1,973,755</u>	<u>13,344,134</u>
<b>NONCURRENT ASSETS</b>							
Long-term note receivable	-	-	-	552,694	200,000	-	752,694
Long-term advance to other funds	-	-	-	-	850,584	-	850,584
<b>Property and Equipment - at cost</b>							
Land	-	-	15,000	444,908	-	-	459,908
Buildings	-	-	112,322	1,592,151	-	-	1,704,473
Machinery and equipment	-	-	40,479	11,549,247	-	-	11,589,726
Construction in progress	-	-	-	-	-	-	-
Total Property and Equipment	-	-	167,801	13,586,306	-	-	13,754,107
Less accumulated depreciation	-	-	(20,965)	(9,895,830)	-	-	(9,916,795)
Total Property and Equipment - net	-	-	146,836	3,690,476	-	-	3,837,312
Total noncurrent assets	-	-	<u>146,836</u>	<u>4,243,170</u>	<u>1,050,584</u>	-	<u>5,440,590</u>
<b>TOTAL ASSETS</b>	<u>\$ 132,728</u>	<u>\$ 58,592</u>	<u>\$ 157,977</u>	<u>\$ 6,441,648</u>	<u>\$ 10,020,024</u>	<u>\$ 1,973,755</u>	<u>\$ 18,784,724</u>

*County of Muskegon*

*Internal Service Funds  
Combining Statement of Net Assets*

*September 30, 2009*

LIABILITIES AND NET ASSETS	Office Services (6330)	County South Campus (6340)	Sheriff Garage (6345)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>CURRENT LIABILITIES</b>							
Accounts payable	\$ 695	\$ 48,773	\$ 103	\$ 7,791	\$ 1,917,748	\$ 369,958	\$ 2,345,068
Current portion of long term debt	-	-	-	754,000	-	-	754,000
Accrued liabilities	67,767	9,819	3,627	8,313	1,366,360	-	1,455,886
Total current liabilities	<u>68,462</u>	<u>58,592</u>	<u>3,730</u>	<u>770,104</u>	<u>3,284,108</u>	<u>369,958</u>	<u>4,554,954</u>
<b>NONCURRENT LIABILITIES</b>							
Long-term Debt	-	-	-	89,651	-	-	89,651
Accrued liabilities	-	-	-	-	4,099,078	-	4,099,078
Long-term advances from other funds	-	-	-	567,118	-	-	567,118
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>656,769</u>	<u>4,099,078</u>	<u>-</u>	<u>4,755,847</u>
<b>TOTAL LIABILITIES</b>	<u>68,462</u>	<u>58,592</u>	<u>3,730</u>	<u>1,426,873</u>	<u>7,383,186</u>	<u>369,958</u>	<u>9,310,801</u>
<b>NET ASSETS</b>							
Invested in capital assets - net of related debt	-	-	146,836	3,600,825	-	-	3,747,661
Unreserved	64,266	-	7,411	1,413,950	2,636,838	1,603,797	5,726,262
<b>TOTAL NET ASSETS</b>	<u>\$ 64,266</u>	<u>\$ -</u>	<u>\$ 154,247</u>	<u>\$ 5,014,775</u>	<u>\$ 2,636,838</u>	<u>\$ 1,603,797</u>	<u>\$ 9,473,923</u>

*County of Muskegon*

*Internal Service Funds*

*Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Year ended September 30, 2009*

	Office Services (6330)	County South Campus (6340)	Sheriff Garage (6345)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>Operating revenues</b>							
Premiums	\$ -	\$ -	\$ -	\$ -	\$ 18,732,899	\$ -	\$ 18,732,899
Rents	-	805,230	-	910,176	-	-	1,715,406
Other	612,507	-	210	629,992	5,350,175	90,525	6,683,409
	<u>612,507</u>	<u>805,230</u>	<u>210</u>	<u>1,540,168</u>	<u>24,083,074</u>	<u>90,525</u>	<u>27,131,714</u>
<b>Operating expenses</b>							
Salaries and fringes	175,918	205,448	13,326	1,983	872,346	-	1,269,021
Supplies and other operating expenses	447,773	586,760	25,730	305,842	195,872	-	1,561,977
Insurance benefits and claims	-	-	-	-	1,132,707	369,958	1,502,665
Insurance premiums	-	13,022	-	1,388	22,230,180	-	22,244,590
Interest expense	-	-	-	71,066	-	-	71,066
Depreciation	-	-	7,411	913,554	-	-	920,965
	<u>623,691</u>	<u>805,230</u>	<u>46,467</u>	<u>1,293,833</u>	<u>24,431,105</u>	<u>369,958</u>	<u>27,570,284</u>
<b>Operating income (loss)</b>	(11,184)	-	(46,257)	246,335	(348,031)	(279,433)	(438,570)
<b>Non-Operating revenues (expenses)</b>							
Investment income	931	-	-	21,698	160,585	49,017	232,231
Other	-	-	154,247	15,419	-	-	169,666
	<u>931</u>	<u>-</u>	<u>154,247</u>	<u>37,117</u>	<u>160,585</u>	<u>49,017</u>	<u>401,897</u>
Transfers In	-	-	46,257	1,136,338	-	-	1,182,595
Transfers Out	-	-	-	(119,000)	-	-	(119,000)
	<u>-</u>	<u>-</u>	<u>46,257</u>	<u>1,017,338</u>	<u>-</u>	<u>-</u>	<u>1,063,595</u>
<b>Change in net assets</b>	(10,253)	-	154,247	1,300,790	(187,446)	(230,416)	1,026,922
Net Assets at beginning of year	74,519	-	-	3,713,985	2,824,284	1,834,213	8,447,001
Net Assets at end of year	<u>\$ 64,266</u>	<u>\$ -</u>	<u>\$ 154,247</u>	<u>\$ 5,014,775</u>	<u>\$ 2,636,838</u>	<u>\$ 1,603,797</u>	<u>\$ 9,473,923</u>

County of Muskegon

Governmental Activities Internal Service Funds  
Statement of Cash Flows  
For the Year ended September 30, 2009

	Office Services (6330)	County South Campus (6340)	Sheriff Garage (6345)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash Received from Customers/Other Funds	\$ 623,519	\$ 805,230	\$ 210	\$ 1,541,593	\$ 24,021,666	\$ -	\$ 26,992,218
Cash Payments to Suppliers of Goods and Services	(450,817)	(579,761)	(25,627)	(396,549)	(23,467,888)	-	(24,920,642)
Cash Payments to Employees for Services	(175,946)	(204,989)	(9,699)	(1,983)	(872,346)	-	(1,264,963)
Net cash provided by (used for) Operating Activities	(3,244)	20,480	(35,116)	1,143,061	(318,568)	-	806,613
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Sales of non capitalized Assets	-	-	-	15,420	-	-	15,420
Transfers to other funds	-	-	-	(119,000)	-	-	(119,000)
Transfers from other funds	-	-	46,257	1,136,338	-	-	1,182,595
Net cash provided by (used for) noncapital financing activities	-	-	46,257	1,032,758	-	-	1,079,015
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Principal payments on long term debt	-	-	-	(1,453,104)	-	-	(1,453,104)
Principal received (paid) on long term advances	-	-	-	-	50,000	-	50,000
Purchase of capital assets	-	-	-	(910,281)	-	-	(910,281)
Net cash provided by (used for) capital and related financing activities	-	-	-	(2,363,385)	50,000	-	(2,313,385)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Payments received on Note receivable	-	-	-	1,139,401	-	-	1,139,401
Proceeds from sales and maturities of investments	100,591	32,271	1,933	1,090,022	6,754,467	1,326,740	9,306,024
Purchase of investments	(55,775)	(24,814)	(4,718)	(930,465)	(3,766,414)	(797,547)	(5,579,733)
Interest received from investment pool	907	-	-	23,131	176,870	57,695	258,603
Net cash provided by investing activities	45,723	7,457	(2,785)	1,322,089	3,164,923	586,888	5,124,295
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>							
	42,479	27,937	8,356	1,134,523	2,896,355	586,888	4,696,538
Cash and cash equivalents, September 30, 2008	56,295	16,007	-	513,289	3,773,801	825,535	5,184,927
Cash and cash equivalents, September 30, 2009	\$ 98,774	\$ 43,944	\$ 8,356	\$ 1,647,812	\$ 6,670,156	\$ 1,412,423	\$ 9,881,465

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, 2009

	Office Services (6330)	South Campus (6340)	Sheriff Garage (6345)	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)	(\$ 11,184)	\$ -	(\$ 46,257)	\$ 246,335	(\$ 348,031)	(\$ 279,433)	(\$ 438,570)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation expense	-	-	7,411	913,554	-	-	920,965
Changes in Assets and Liabilities:							
(Increase) decrease in accounts receivable	11,012	-	-	1,425	(61,408)	(90,525)	(139,496)
Increase (decrease) in accounts payable	(3,044)	20,021	103	(10,159)	14,749	369,958	391,628
Increase (decrease) in accrued liabilities	(28)	459	3,627	(8,094)	76,122	-	72,086
Total Adjustments	7,940	20,480	11,141	896,726	29,463	279,433	1,245,183
Net cash provided by (used for) operations	(\$ 3,244)	\$ 20,480	(\$ 35,116)	\$ 1,143,061	(\$ 318,568)	\$ -	\$ 806,613

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, 2009

	Agency Funds								
	Agency (7010)	Library Penal Fines (7210)	Muskegon Central Dispatch 9-1-1 (7708)	District Library (7810)	Labor Management Program (7910)	CMH Client Funds (7930)	Muskegon Veterans Affairs (7940)	Orchard View (7982)	Totals
<b>ASSETS</b>									
Cash and cash investments	\$ 7,614,811	\$ 94,959	\$ 1,943,180	\$ 2,663,013	\$ 77,556	\$ 368,775	\$ 110,330	\$ 35,559	\$ 12,908,183
Accounts receivable	1,475,966	-	204,380	-	-	-	-	-	1,680,346
Accrued interest receivable	-	132	1,750	2,384	63	-	126	31	4,486
	<u>\$ 9,090,777</u>	<u>\$ 95,091</u>	<u>\$ 2,149,310</u>	<u>\$ 2,665,397</u>	<u>\$ 77,619</u>	<u>\$ 368,775</u>	<u>\$ 110,456</u>	<u>\$ 35,590</u>	<u>\$ 14,593,015</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 2,990	\$ -	\$ 9,312	\$ -	\$ 1	\$ -	\$ 6,300	\$ -	\$ 18,603
Intergovernmental payable	487,922	-	-	-	-	-	-	-	487,922
Undistributed current and delinquent taxes	7,899,572	-	-	-	-	-	-	-	7,899,572
Trust deposits	622,549	-	-	-	-	-	-	-	622,549
Accrued liabilities	-	-	621,584	1,020	828	-	-	-	623,432
Unallocated receipts	53,462	95,091	1,518,414	2,664,377	76,790	368,775	104,156	35,590	4,916,655
Fines and Fees due to local municipalities and libraries	24,282	-	-	-	-	-	-	-	24,282
	<u>\$ 9,090,777</u>	<u>\$ 95,091</u>	<u>\$ 2,149,310</u>	<u>\$ 2,665,397</u>	<u>\$ 77,619</u>	<u>\$ 368,775</u>	<u>\$ 110,456</u>	<u>\$ 35,590</u>	<u>\$ 14,593,015</u>

County of Muskegon

Agency Funds  
**COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES**  
 For the Year ended September 30, 2009

	Balance Oct. 1, 2008	Additions	Deductions	Balance Sept. 30, 2009
<b>Trust and Agency (7010)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 11,081,574	\$ 109,983,897	\$ 113,450,660	\$ 7,614,811
Accounts receivable	726,470	1,957,637	1,208,141	1,475,966
	<u>\$ 11,808,044</u>	<u>\$ 111,941,534</u>	<u>\$ 114,658,801</u>	<u>\$ 9,090,777</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 242,627	\$ 65,011,343	\$ 65,250,980	\$ 2,990
Intergovernmental payable	271,157	5,646,338	5,429,573	487,922
Undistributed current and delinquent taxes	8,968,826	80,289,490	81,358,744	7,899,572
Fines and fees due to local municipalities and libraries	24,485	288,892	289,095	24,282
Trust deposits	2,266,971	22,369,502	24,013,924	622,549
Unallocated receipts	33,978	11,708,403	11,688,919	53,462
	<u>\$ 11,808,044</u>	<u>\$ 185,313,968</u>	<u>\$ 188,031,235</u>	<u>\$ 9,090,777</u>
<b>Library Penal Fines (7210)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 97,267	\$ 397,118	\$ 399,426	\$ 94,959
Accrued interest receivable	561	3,909	4,338	132
	<u>\$ 97,828</u>	<u>\$ 401,027</u>	<u>\$ 403,764</u>	<u>\$ 95,091</u>
<b>LIABILITIES</b>				
Unallocated receipts	\$ 97,828	\$ 531,014	\$ 533,751	\$ 95,091
	<u>\$ 97,828</u>	<u>\$ 531,014</u>	<u>\$ 533,751</u>	<u>\$ 95,091</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2009

	Balance Oct. 1, 2008	Additions	Deductions	Balance Sept. 30, 2009
<b>Muskegon Central Dispatch 9-1-1 (7708)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 2,014,029	\$ 3,977,125	\$ 4,047,974	\$ 1,943,180
Accounts receivable	288,816	1,353,261	1,437,697	204,380
Accrued interest receivable	5,481	30,234	33,965	1,750
	<u>\$ 2,308,326</u>	<u>\$ 5,360,620</u>	<u>\$ 5,519,636</u>	<u>\$ 2,149,310</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 42,323	\$ 1,178,215	\$ 1,211,226	\$ 9,312
Intergovernmental payable	358,062	-	358,062	-
Accrued liabilities	613,782	153,576	145,774	621,584
Unallocated receipts	1,294,159	3,801,488	3,577,233	1,518,414
	<u>\$ 2,308,326</u>	<u>\$ 5,133,279</u>	<u>\$ 5,292,295</u>	<u>\$ 2,149,310</u>
<b>District Library (7810)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 2,212,278	\$ 3,170,019	\$ 2,719,284	\$ 2,663,013
Accrued interest receivable	6,274	41,829	45,719	2,384
	<u>\$ 2,218,552</u>	<u>\$ 3,211,848</u>	<u>\$ 2,765,003</u>	<u>\$ 2,665,397</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 69,596	\$ 1,379,518	\$ 1,449,114	\$ -
Accrued liabilities	6,622	168,574	174,176	1,020
Unallocated receipts	2,142,334	3,004,416	2,482,373	2,664,377
	<u>\$ 2,218,552</u>	<u>\$ 4,552,508</u>	<u>\$ 4,105,663</u>	<u>\$ 2,665,397</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2009

	Balance Oct. 1, 2008	Additions	Deductions	Balance Sept. 30, 2009
<b>Labor Management Program (7910)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 77,583	\$ 62,628	\$ 62,655	\$ 77,556
Accrued interest receivable	185	1,366	1,488	63
	<u>\$ 77,768</u>	<u>\$ 63,994</u>	<u>\$ 64,143</u>	<u>\$ 77,619</u>
Accounts payable	\$ 458	\$ 45,025	\$ 45,482	\$ 1
Accrued liabilities	776	828	776	828
Unallocated receipts	76,534	61,839	61,583	76,790
	<u>\$ 77,768</u>	<u>\$ 107,692</u>	<u>\$ 107,841</u>	<u>\$ 77,619</u>
<b>CMH Client Funds (7930)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 250,368	\$ 3,855,658	\$ 3,737,251	\$ 368,775
	<u>\$ 250,368</u>	<u>\$ 3,855,658</u>	<u>\$ 3,737,251</u>	<u>\$ 368,775</u>
Accounts payable	\$ -	\$ 3,695,318	\$ 3,695,318	\$ -
Unallocated receipts	250,368	3,948,302	3,829,895	368,775
	<u>\$ 250,368</u>	<u>\$ 7,643,620</u>	<u>\$ 7,525,213</u>	<u>\$ 368,775</u>
<b>Muskegon Veterans Affairs (7940)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 98,744	\$ 361,536	\$ 349,950	\$ 110,330
Accrued interest receivable	392	2,109	2,375	126
	<u>\$ 99,136</u>	<u>\$ 363,645</u>	<u>\$ 352,325</u>	<u>\$ 110,456</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 306,513	\$ 300,213	\$ 6,300
Unallocated receipts	99,136	358,766	353,746	104,156
	<u>\$ 99,136</u>	<u>\$ 665,279</u>	<u>\$ 653,959</u>	<u>\$ 110,456</u>
<b>Orchard View (7982)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 35,042	\$ 738	\$ 221	\$ 35,559
Accrued interest receivable	96	635	700	31
	<u>\$ 35,138</u>	<u>\$ 1,373</u>	<u>\$ 921</u>	<u>\$ 35,590</u>
<b>LIABILITIES</b>				
Unallocated receipts	<u>\$ 35,138</u>	<u>\$ 672</u>	<u>\$ 220</u>	<u>\$ 35,590</u>

*County of Muskegon*

*Agency Funds*

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

*For the Year ended September 30, 2009*

	<u>Balance Oct. 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2009</u>
<b>TOTALS - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 15,866,885	\$ 121,808,719	\$ 124,767,421	\$ 12,908,183
Accounts receivable	1,015,286	3,310,898	2,645,838	1,680,346
Accrued interest receivable	12,989	80,082	88,585	4,486
	<u>\$ 16,895,160</u>	<u>\$ 125,199,699</u>	<u>\$ 127,501,844</u>	<u>\$ 14,593,015</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 355,004	\$ 71,615,932	\$ 71,952,333	\$ 18,603
Accrued liabilities	621,180	322,978	320,726	623,432
Undistributed current and delinquent taxes	8,968,826	80,289,490	81,358,744	7,899,572
Intergovernmental payable	629,219	5,646,338	5,787,635	487,922
Fines and fees due to local municipalities and libraries	24,485	288,892	289,095	24,282
Trust deposits	2,266,971	22,369,502	24,013,924	622,549
Unallocated receipts	4,029,475	23,414,900	22,527,720	4,916,655
	<u>\$ 16,895,160</u>	<u>\$ 203,948,032</u>	<u>\$ 206,250,177</u>	<u>\$ 14,593,015</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 186

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 195

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

### Debt Capacity 199

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 204

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

### Operating Information 206

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

<u>Fiscal Year</u>	<u>2009</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	\$40,463	\$41,019	\$40,455	\$41,018	\$39,164	\$42,253	\$42,415	\$41,674	\$38,030	\$38,744
Restricted	11,339	16,845	12,686	18,876	21,604	16,160	7,444	10,581	9,288	3,915
Unrestricted	<u>16,054</u>	<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>\$67,856</u>	<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	\$117,230	\$97,018	\$98,080	\$91,214	\$85,437	\$84,950	\$83,729	\$74,190	\$84,257	\$76,541
Restricted	4,119	3,783	2,021	2,594	3,464	1,917	3,670	8,947	9,443	4,146
Unrestricted	<u>13,846</u>	<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>\$135,195</u>	<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	\$157,693	\$138,037	\$138,535	\$132,232	\$124,601	\$127,203	\$126,144	\$115,864	\$122,287	\$115,285
Restricted	15,458	20,628	14,707	21,470	25,068	18,077	11,114	19,528	18,731	8,061
Unrestricted	<u>29,900</u>	<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>\$203,051</u>	<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>

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

	<b>Fiscal Year</b>								
	<u>2009</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>
<b>Expenses</b>									
Governmental Activities									
Judicial	\$8,531	\$8,437	\$8,333	\$8,173	\$7,801	\$7,704	\$7,463	\$7,031	\$6,387
General County Government	30,784	28,034	27,216	20,971	22,972	20,814	19,442	19,840	19,216
Public Safety	13,473	13,428	13,442	13,219	12,923	12,619	11,844	10,804	10,707
Health	113,687	108,059	113,300	109,598	103,897	103,018	112,286	89,691	105,304
Welfare	14,015	12,329	10,210	9,178	7,668	8,507	8,855	7,745	7,197
Other	2,774	2,661	2,199	2,983	3,247	3,279	3,378	3,185	3,075
Debt Service expenses	<u>736</u>	<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>184,000</u>	<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	0	1,325	3,600	3,526	794	3,988	3,267	1,194	1,196
Airport	2,530	2,493	2,424	2,474	2,764	2,131	2,763	2,685	2,408
Northside Water	4,554	3,169	2,381	693	358	377	920	388	267
Muskegon Area Transit System	3,314	3,288	3,294	3,384	3,217	3,115	3,360	3,063	2,563
Wastewater	17,162	16,531	14,608	15,023	15,155	14,604	14,418	13,559	14,725
Other Proprietary Funds	<u>5,005</u>	<u>988</u>	<u>659</u>	<u>2,019</u>	<u>1,111</u>	<u>813</u>	<u>264</u>	<u>1,876</u>	<u>544</u>
Total Business-Type Activities	<u>32,565</u>	<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>\$216,565</u>	<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 Nine Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	Fiscal Year								
	<u>2009</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>
<b>Program Revenues</b>									
Governmental Activities									
Charges for Services									
Judicial	\$2,716	\$2,996	\$3,277	\$2,949	\$2,919	\$2,929	\$2,507	\$2,469	\$2,456
General County Government	5,308	5,408	6,432	6,086	6,425	7,213	7,324	6,082	6,515
Public Safety	797	903	1,046	730	842	1,034	1,698	543	1,210
Health	83,648	84,614	76,698	72,247	74,835	78,776	85,638	66,121	82,372
Other Activities	1,348	1,134	1,656	1,408	1,738	1,047	36	1,095	1,006
Operating Grants and Contributions	34,476	34,958	35,229	33,518	30,783	33,629	32,283	33,340	30,573
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800</u>	<u>1,488</u>	<u>1,003</u>
Total Governmental Program Activities Revenues	<u>128,293</u>	<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	13,816	15,970	13,832	12,640	12,281	12,796	10,656	11,102	10,326
Other	12,366	9,117	8,700	7,618	6,521	4,401	6,362	5,824	4,788
Operating Grants and Contributions	4,116	6,111	5,215	2,982	2,828	4,904	2,416	2,371	1,991
Capital Grants and Contributions	<u>10,165</u>	<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>40,463</u>	<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>168,756</u>	<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 Nine Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	Fiscal Year								
	2009	2008	2007	2006	2005	2004	2003	2002	2001
Governmental Activities	(55,707)	(43,810)	(51,369)	(48,426)	(42,128)	(32,427)	(34,167)	(28,285)	(27,764)
Business-Type Activities	7,898	4,138	6,610	(1,556)	611	274	(2,210)	4,961	(1,569)
Total Primary Government net expense	<u>(\$47,809)</u>	<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	\$28,981	\$29,559	\$36,902	\$35,076	\$31,294	\$24,227	\$23,196	\$22,013	\$20,769
Investment Earnings	1,027	1,718	2,505	2,158	1,149	759	927	753	3,219
Other	<u>16,883</u>	<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>46,891</u>	<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	783	1,515	1,564	1,260	958	586	875	1,505	1,719
Other	<u>18</u>	<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>801</u>	<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>\$47,692</u>	<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	(\$8,816)	\$948	(\$4,244)	\$18,716	\$667	\$778	(\$237)	\$1,320	\$3,420
Business-Type Activities	<u>8,699</u>	<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>(\$117)</u>	<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>2009</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>
General fund										
Reserved	\$589	\$589	\$589	\$589	\$589	\$589	\$589	\$1,305	\$1,305	\$1,305
Unreserved	<u>8,592</u>	<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>
Total General fund	<u>\$9,181</u>	<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>
All other governmental funds										
Reserved	\$1,405	\$1,445	\$1,858	\$1,317	\$1,453	\$933	\$800	\$800	\$800	\$901
Unreserved, reported in:										
Special revenue funds	9,245	13,218	16,036	12,405	8,219	4,271	3,908	4,319	3,434	2,482
Debt Service	2,685	2,024	1,801	1,585	1,761	1,541	1,713	1,799	1,723	3,756
Capital projects funds (2)	8,103	11,113	7,661	14,026	5,404	3,451	3,201	5,085	4,684	1,892
Permanent funds	<u>47</u>	<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>
Total all other governmental funds	<u>\$21,485</u>	<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>

(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>2009</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>Revenues</b>										
Taxes	\$28,981	\$29,559	\$36,902	\$35,076	\$31,294	\$24,226	\$23,196	\$22,013	\$20,769	\$19,694
Operating grants and contributions	34,476	34,958	35,229	33,518	30,783	33,629	32,283	33,478	31,576	31,462
Charges for services	92,835	88,447	87,132	83,420	84,748	89,003	95,231	74,926	90,546	55,306
Other	<u>12,646</u>	<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>
Total Revenues	<u>168,938</u>	<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>
<b>Expenditures</b>										
Judicial	8,503	8,410	8,294	8,136	7,758	7,663	7,420	6,990	6,326	5,164
General County Government	18,511	18,627	20,574	17,786	17,143	17,158	16,496	15,298	12,570	15,302
Public Safety	13,281	13,242	13,243	13,016	12,712	12,379	11,570	10,596	10,448	9,668
Health	113,626	107,987	112,990	109,301	100,254	101,563	110,357	89,440	103,256	69,386
Welfare	13,921	12,224	10,103	9,070	7,551	8,383	8,728	7,615	7,069	6,569
Other	2,569	2,453	1,987	2,598	3,017	3,047	3,158	3,015	2,908	3,057
Capital Outlay	5,876	1,422	1,706	1,132	3,918	1,310	3,434	6,563	7,751	3,012

# 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>2009</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>
Debt Service										
Principal	11,475	1,715	1,540	6,460	2,285	2,040	2,140	2,480	2,380	2,275
Interest	736	873	864	1,242	1,074	1,039	1,130	1,066	922	1,009
Other	<u>1</u>	<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>
Total Expenditures	<u>188,499</u>	<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>
Excess of revenues over (under)										
expenditures	(19,561)	(5,689)	(3,447)	(8,262)	309	306	(4,659)	(4,083)	(1,879)	18
Transfers in	17,594	16,136	17,066	15,506	15,249	11,410	14,681	11,283	11,161	7,910
Transfers out	(18,187)	(15,602)	(17,494)	(15,511)	(14,081)	(10,874)	(12,853)	(12,193)	(12,085)	(8,997)
Bonds issued	13,875	6,000	995	20,580	-	-	-	6,500	6,500	-
Notes issued	-	-	-	-	5,000	-	-	-	-	-
Sale of Capital Assets	<u>26</u>	<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>
Total other financing sources (uses)	<u>13,308</u>	<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>
Net change in fund balances	<u>(\$6,253)</u>	<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>
Debt service as a percentage of										
noncapital expenditures	7.17%	1.59%	1.52%	4.92%	2.32%	2.10%	2.11%	2.71%	2.38%	3.01%

# County of Muskegon

## GOVERNMENTAL FUNDS REVENUES BY SOURCE

Last Ten 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
2009	92,835	34,476	28,981	794	982	10,870	168,938

# 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>
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
2009	27,932	747	302	28,981

# County of Muskegon

## PRINCIPAL PROPERTY TAXPAYERS

September 30, 2009 and ten years ago

(amounts express in thousands)

(Unaudited)

	2009			1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Consumers Energy	\$133,013	1	2.82 %	\$100,885	1	3.16 %
Howmet Corp (c/o Alcoa Co)	60,733	2	1.29	37,330	3	1.17
Sappi Paper Products	31,244	3	0.66	58,720	2	1.84
DTE Energy	30,322	4	0.64			
Sun Chemical of Michigan LLC	23,074	5	0.49	27,283	4	0.86
Meijer Inc	21,893	6	0.46			
THF Fruitport Dev LP	17,765	7	0.38			
L3 Communications Corp	17,434	8	0.37			
Diversified Machine Montague Inc.	16,834	9	0.36			
Johnson Technology Inc.	15,499	10	0.33			
Michcon Cons. Gas				26,974	5	0.85
SPX				22,828	6	0.72
Horizon Outlets				15,570	7	0.49
Lorin Industries				15,314	8	0.48
General Dynamics				14,318	9	0.45
Lomac				<u>13,289</u>	10	<u>0.42</u>
Totals	<u>\$367,811</u>		<u>7.80</u> %	<u>\$332,511</u>		<u>10.44</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	Debt	Total Millage	Operating	Debt	Total Millage	Operating	Debt	Total Millage	
	Millage(1)	Millage(2)		Millage	Millage		Millage(3)	Millage		
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
2009	6.40	0.30	6.70	NLP	0.00	0.00	NLP	7.00	7.00	13.70

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
- 4) NLP - No longer provides

# 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
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
2009	5,072	417	5,489	4,297	418	4,715	6.70	85.90%	10,978

Source: Equalization Department

# County of Muskegon

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(amounts expressed in thousands)

(Unaudited)

Ended <u>September 30</u>	Total Tax Levy for <u>Fiscal Year</u>	Collected within the		Collections in <u>Subsequent Years</u>	Total Collections to Date	
		<u>Fiscal Year of the Levy</u>			<u>Amount</u>	<u>% of Levy</u>
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
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%	1,802	23,215	100.0%
2007	24,467	22,621	92.5%	1,082	23,703	96.9%
2008	25,301	23,307	92.1%	760	24,067	95.1%
2009*	25,495	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			
2009	\$7,725	\$33,990	\$11,315	\$72,449	\$1,030	\$14,500	\$141,009	4.61%	\$828.49
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

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

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

# County of Muskegon

## RATIO OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(amounts express in thousands, except per capita amount)

(Unaudited)

<u>Fiscal year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2009	\$7,725	\$2,685	\$5,040	0.13%	\$29.61
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

# County of Muskegon

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2009

(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	\$34,990,000	97%	\$33,990,000
County at Large	92,518,792	100	92,518,792
Tax Anticipation Notes	<u>14,500,000</u>	100	<u>14,500,000</u>
Direct Debt	142,008,792		141,008,792
 Muskegon Community College & Intermediate School Districts	 22,115,000	 71%	 15,797,380
School Districts	612,477,949	61	374,984,216
Cities, Villages and Townships	94,009,000	100	94,009,000
White Lake District Library	<u>1,155,000</u>	100	<u>1,155,000</u>
Overlapping Debt	729,756,949		485,945,596
 Total Direct and Overlapping Debt	 <u>\$871,765,741</u>		 <u>\$626,954,388</u>

Source: Municipal Advisory Council

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

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

# County of Muskegon

## LEGAL DEBT MARGIN INFORMATION

### Last Ten Fiscal Years

(amounts express in thousands)

(Unaudited)

<u>Fiscal Year</u>	<u>2009</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>
Debt Limit (a)	\$548,943	\$566,879	\$554,383	\$529,516	\$505,360	\$484,014	\$459,402	\$428,427	\$389,651	\$347,554
Total net debt applicable to limit (b)	<u>116,953</u>	<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>
Legal debt margin available	<u>\$431,990</u>	<u>\$462,089</u>	<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>
Total net debt applicable to limit as a percentage of debt limit (b) / (a)	21.31%	18.49%	18.03%	15.45%	9.80%	10.64%	11.92%	12.15%	12.65%	12.81%
County net debt limit as a percentage of total State Equalized Value (1)	2.13%	1.85%	1.80%	1.55%	0.98%	1.06%	1.19%	1.22%	1.26%	1.28%

### Legal Debt Margin Calculation for Fiscal Year 2009

State equalized value	<u>\$5,489,432,423</u>
Debt limit(10% of SEV)	548,943,242
Debt applicable to limit:	
Total bonded debt	142,008,792
Other debt	<u>843,651</u>
Total applicable debt	142,852,443
Less amount available for debt retirement	<u>25,898,972</u>
Total County net debt limit (1)	<u>116,953,471</u>
Legal Debt Margin available	<u>\$431,989,771</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**  
**PLEGGED-REVENUE COVERAGE**  
*Last Ten Fiscal Years*  
*(amounts express in thousands)*  
(Unaudited)

**Sewer Revenue Bonds**

**Special Assessment Bonds**

Fiscal Year	Sewer Charges <sup>(1)</sup>	Less: Operating Expenses <sup>(2)</sup>	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
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
2009	5,371	35	5,336	2,315	1,293	147.89	3,125	615	0	508.13

(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>2009</u>			<u>1999</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total county employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total county employment</u>
Howmet Corp.	2,420	1	3.00	2,450	1	4.05
Mercy Health Partners	1,714	2	2.12	2,200	2	3.64
County of Muskegon	1,046	3	1.30	1,288	5	2.13
L3 Communications	600	4	0.74			
Wesco, Inc.	500	5	0.62			
Johnson Technology, Inc.	480	6	0.59			
Eagle Group	430	7	0.53			
ADAC Automotive	400	8	0.50			
Meijers, Inc	378	9	0.47	1,300	4	2.15
Diversified Maching	361	10	0.45			
Hackley Hospital				1,300	3	2.15
Muskegon Public Schools				1,050	6	1.74
Dana Corporation				750	7	1.24
Sappi Fine Paper				750	8	1.24
Plumbs' Valu-Rite Foods				700	9	1.16
Reeths-Puffer Schools				592	10	0.98

Source: Muskegon Area First

## County of Muskegon

### DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	(2)	(2)	(1)	(3)		
Ending	Personal	Per	Median	School	Unemployment	
September 30	Income	Capita	Age	Enrollment	Rate	
	(2)	(amounts expressed	Personal			
	Population	in thousands)	Income			
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	30,713	7.8%
2009*	174,450	4,135,686	23,707	35.5	NA	16.0%

\* 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>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>2009</u></b>
<b>Police</b>										
Bookings	8,549	9,096	8,953	9,049	9,343	9,815	10,343	11,083	10,475	9,567
Traffic Stops	2,384	3,104	3,837	4,283	3,521	3,087	2,447	2,836	2,025	2,135
Verbal Warnings	1,238	1,862	2,094	1,892	1,706	1,683	1,100	1,082	1,421	1,747
Citations	3,204	3,654	4,391	4,329	2,851	2,491	2,039	2,460	2,082	1,393
<b>Sanitation</b>										
Refuse collected (tons)	89,133	89,186	76,026	67,573	60,256	88,971	126,994	125,775	147,484	104,984
Recyclables collected (tons)	104	92	89	69	77	66	39	22	16	18
<b>Water</b>										
New Connections	-	-	886	941	995	1,033	106	152	91	70
Average daily consumption (thousands of gallons)	404	347	348	380	374	483	406	680	560	1,108
<b>Wastewater</b>										
Avg daily sewage treatment (gallons)	29	28	25	25	26	23	20	20	20	16
<b>District Court</b>										
Cases Filed	44,256	46,416	48,193	45,766	43,554	44,573	45,275	48,304	47,631	42,527
Cases Disposed	48,130	47,977	55,210	51,708	51,932	46,915	45,036	48,431	47,584	45,331
Cases Pending	15,662	14,101	8,069	8,083	5,800	6,183	6,607	6,450	7,036	4,571

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>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>2009</u></b>
<b><u>Administration</u></b>										
Administrator	8	8	9	9	9	9	9	9	9	8
Accounting	12	12	12	12	11	11	10	10	9	9
Human Resources	6	6	6	6	5	5	5	5	5	6
Purchasing	4	4	4	4	4	4	4	4	4	3
Office Services	4	4	4	4	5	5	5	3	3	3
Information Systems	11	12	12	11	8	8	8	8	8	8
Employment and Training	18	21	21	22	21	21	22	23	23	23
Corporate Counsel	-	-	-	3	3	3	-	-	-	-
Risk Management	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>						
Total	69	74	76	79	74	74	71	70	69	69
<b><u>DPW - Transportation and Planning</u></b>										
Public Works	1	1	1	1	1	-	-	-	-	-
Airport	16	16	16	20	15	15	14	13	13	12
Transit	39	43	45	46	46	46	47	46	46	46
Wastewater	80	81	81	81	81	65	59	57	57	57
Regional Water System	-	-	-	-	-	-	2	2	2	2
Solid Waste	10	10	11	11	14	14	13	13	13	13
Solid Waste - Fly Ash	<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>	<u>1</u>
Total	150	155	158	163	158	141	136	132	132	131
<b><u>General Government</u></b>										
County Clerk	6	6	6	6	6	6	6	6	6	6

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

<b>Function</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>2009</u></b>
County Clerk - Circuit Court Records	7	7	8	8	8	8	8	9	9	9
Equalization	20	22	23	23	22	22	22	22	25	24
Register of Deeds	9	9	9	9	9	9	9	9	9	9
Treasurer	10	10	10	10	10	10	10	10	10	10
Buildings Information Services	1	-	-	-	-	-	-	-	-	-
Drain Commission	5	4	4	5	5	5	5	5	5	4
MSU - Cooperative Extension	<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>	<u>1</u>
Total	60	60	62	63	61	61	61	62	65	63
<b><u>Judicial Administration</u></b>										
Circuit Court	20	19	19	19	19	19	23	24	22	22
District Court	53	54	56	56	58	58	61	61	61	60
District Court - Probation Assessment	2	2	2	2	2	2	2	2	2	2
Family Court - FOC Division	41	42	42	41	46	45	46	46	46	47
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	2
Family Court - FOC Welfare Support	-	1	1	1	1	-	-	1	1	1
Family Court - Juvenile Division	23	19	19	18	17	15	17	17	15	16
Family Court - Juvenile Division Program	1	1	-	-	-	-	-	-	-	-
Family Court - Juvenile In Home Intensive	12	13	13	13	14	14	14	12	13	13
Family Court - Juvenile Violence Reporting	-	-	-	-	-	-	-	-	-	-
Family Court - Re-Entry Initiative	-	-	-	3	3	3	2	1	-	-
Family Court - Special Improvement Project	-	-	-	3	3	-	-	-	-	-
Probate Court	<u>7</u>									

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

<b>Function</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>2009</u></b>
Total	160	161	162	165	172	166	175	174	170	171
<b><u>Legislative</u></b>										
Board of Commissioners	<u>9</u>	<u>9</u>	<u>9</u>	<u>11</u>						
Total	9	9	9	11	11	11	11	11	11	11
<b><u>Libraries and Recreation</u></b>										
Library	41	41	42	42	41	41	27	39	-	-
County Parks	22	22	22	22	22	22	22	22	22	22
Convention/Visitor's Bureau	<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>	<u>8</u>
Total	68	68	69	68	68	69	56	68	29	30
<b><u>Maintenance</u></b>										
Courthouse-Grounds	<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>	<u>16</u>
Total	21	24	24	22	14	14	14	16	18	16
<b><u>Public and Mental Health</u></b>										
Health	106	110	110	87	79	81	85	85	86	87
Mental Health	<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>	<u>341</u>
Total	425	431	434	411	407	404	412	414	419	428
<b><u>Public Safety</u></b>										
Prosecutor	22	20	20	21	20	20	21	21	20	21
Prosecutor - Cooperative Reimbursement	5	5	5	6	6	6	5	5	5	4
Prosecutor - Crime Victims Rights	4	4	4	3	4	4	4	4	4	4
Prosecutor - Family Court FIA Grant	-	3	3	3	3	3	3	3	3	3
Prosecutor - Juvenile Accountability Incentive	1	2	2	1	1	1	1	1	1	1
Prosecutor - Community Gun Violence	-	-	-	2	2	2	-	-	-	-

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

<b>Function</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>2009</u></b>
Prosecutor - Project Cornerstone	2	2	2	2	-	-	1	1	1	-
Sheriff - Operations	106	108	108	115	115	118	122	124	123	124
Sheriff - Road Patrol Grant	2	2	2	2	2	2	2	2	2	-
Sheriff - School Liaison Grant	1	1	2	2	2	2	-	-	-	-
Sheriff - Marine	8	8	8	8	8	8	8	8	8	8
Sheriff - Building/Courtroom Security	-	-	-	-	-	-	10	8	9	8
Sheriff - Township Patrols	-	5	5	5	5	4	3	3	2	2
Community Corrections	7	8	8	8	8	8	8	5	8	8
Emergency Services	<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>	<u>2</u>
Total	160	171	172	181	179	180	191	187	188	185
<b><u>Social Services</u></b>										
Child Haven	16	16	16	16	16	16	16	16	16	16
Brookhaven	250	243	244	244	239	239	239	242	274	270
Juvenile Detention Center	<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>	<u>27</u>
Total	292	285	286	286	282	282	282	285	317	313
<b>GRAND TOTAL</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>	<b><u>1,417</u></b>

Source: Budget Department

# County of Muskegon

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

	<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>	<u>2009</u>
<b>Function</b>										
Public Safety Police										
Jail	1	1	1	1	1	1	1	1	1	1
Patrol Units	23	24	27	27	28	25	25	24	24	25
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	352	352	352	362	362	362	377	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	42,000	42,000	42,000
Airport	180	157	139	143	119	129	129	118	91	66
Capacity (thousand of passengers)										
Transit	15	18	15	18	15	15	18	22	22	17
Number of buses										
Solid Waste	1,022	934	934	2,654	3,100	3,100	3,100	3,778	3,778	3,778
Capacity (thousand cu. yds.)										

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

January 30, 2010

Board of Commissioners  
County of Muskegon  
Muskegon, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *County of Muskegon* (the “County”) for the year ended September 30, 2009, and have issued our report thereon dated January 30, 2010. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133**

As stated in our engagement letter dated October 28, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the County’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the County’s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the County’s compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the County’s compliance with those requirements.

**Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and our meeting about planning matters on November 9, 2009.

## **Significant Audit Findings**

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.
- Management's estimate of the liability for landfill closure and post-closure costs is based on percentage of landfill capacity used to date and future expected costs.
- Annual required contributions and accrued liabilities for pension and other postemployment benefits are determined using third-party actuarially-based assumptions.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

### *Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We proposed certain adjustments (which were approved by management and posted to the County's records) in amounts material to the financial statements, as described on the attached sheet.

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the attached management representation letter dated January 30, 2010.

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

This information is intended solely for the use of the governing body and management of the Muskegon County of Muskegon and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



# County of Muskegon

## Comments and Recommendations

For the Year Ended September 30, 2009

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In planning and performing our audit of the financial statements of the Muskegon County of Muskegon as of and for the year ended September 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. The deficiencies we noted that we consider to be material weaknesses are described in the Schedule of Findings and Questioned Costs in the County's Additional Reports Required by OMB Circular A-133.

### **Other Matters**

#### ***Inadequate Controls over the Safeguarding of Assets***

It was noted that several individuals in the Treasurer's office have the ability to enter the cash room; however, there are no physical security controls (i.e. security cameras, card access by person with date/time entered monitored, etc.). In addition, the bank statement is being reconciled by the Cash Manager, who has the capability of making wire transfers/ACH transfers. We recommend the County install access controls to the cash room and transfer the responsibility of the bank statement reconciliation to an individual who does not have access to cash receipting, disbursement and banking capabilities.

#### ***Timing of Grant Cash Requests***

It was noted that certain funds of the Department of Employment and Training do not appear to be drawing down cash on a timely basis. In other funds under the control of this department, it appears that cash reimbursement requests are being submitted prior to actual expenditures being incurred. While we are not aware of any actual misstatements as a result of this condition, we recommend all cash draw downs occur on a timely basis and in accordance with the terms of the grant agreements.

# County of Muskegon

## Comments and Recommendations

For the Year Ended September 30, 2009

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### *Independent Review and Approval of Journal Entries*

It was noted that several year-end journal entries were initiated, recorded, and reviewed by the Accounting Manager, due to the retirement of an employee in the department. While we are not aware of any actual misstatements as a result of this condition, the County is nevertheless exposed to an increased risk that misstatements (whether caused by error or fraud) could occur and not be prevented or detected and corrected on a timely basis. We recommend all journal entries be subject to independent review.

### *Journal Entry Support*

It was noted during audit fieldwork that many journal entries did not have supporting documentation attached. The lack of supporting documentation resulted in a less efficient audit process, and does not provide a sufficient audit trail. While we are not aware of any actual misstatements as a result of this condition, we recommend supporting documentation be attached to all journal entries.

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