

# COUNTY OF MUSKEGON

## Muskegon, Michigan



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

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, 2010

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

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

LOUIS 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 18, 2011

## 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, 2010.

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, 2010, 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 1,900 employees. Howmet manufactures investment grade castings for the aerospace industry. Howmet is the largest defense contractor in West Michigan.

Mercy Health Partners - This company employs approximately 3,575 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 270 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 474 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 395 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. (400, retail sales), Michigan State Government (847, prisons), and Muskegon Public Schools (870, 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, 2010, in funding 80 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 476 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 \$655,850 in 2010 for an average yield of 3.93 percent and 1.22 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 2010, a continuing decline in local economy caused our property tax valuations to decrease for the second year. This loss of \$795,000 was offset by reductions in expenses across all programs. Reductions also occurred in interest earnings as rates have dropped by as much as 225%. 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.

## **Awards and Acknowledgments**

In 2010, independent auditors were engaged for the thirty fifth 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, 2009. This was the thirty second 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

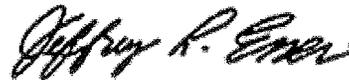
County of Muskegon  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

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.



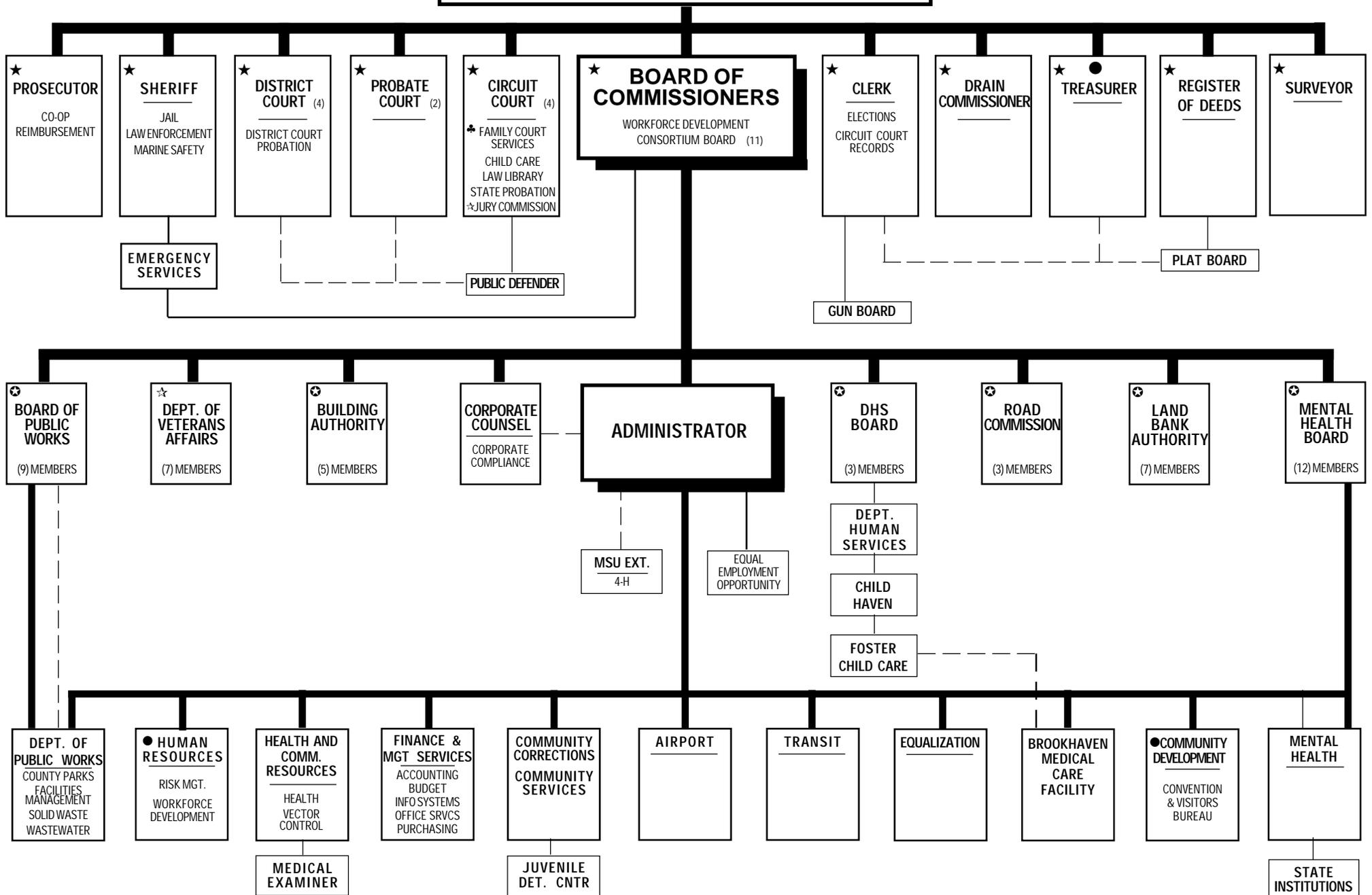
President



Executive Director

# 2010 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, 2010

**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  
DAVID FISHER, 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* (the "County"), as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the County'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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18 2011, 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 in a separately issued single audit report. 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 schedules 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 do not express an opinion on them.

A handwritten signature in black ink that reads "Lehmann Johnson". The signature is written in a cursive, flowing style.

Muskegon, Michigan  
January 18, 2011

## 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, 2010. 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, energy improvements, 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 2009 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 and post employment benefit 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

liabilities by \$196,188,542 at the close of fiscal year 2010.

The largest portion of net assets in the County (75%) 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	
	2010	2009	2010	2009	2010	2009
Cash and Investments	\$36,516,667	\$38,156,987	\$30,649,332	\$22,882,108	\$67,165,999	\$61,039,095
Receivables	49,163,329	50,313,607	23,047,636	25,547,949	72,210,965	75,861,556
Other Current Assets	358,895	404,747	1,855,540	1,710,387	2,214,435	2,115,134
Long Term Assets	1,175,000	1,752,694	-	-	1,175,000	1,752,694
Capital Assets	<u>66,789,620</u>	<u>59,793,922</u>	<u>193,807,648</u>	<u>190,708,468</u>	<u>260,597,268</u>	<u>250,502,390</u>
<b>Total Assets</b>	<b>154,003,511</b>	150,421,957	<b>249,360,156</b>	<b>240,848,912</b>	<b>403,363,667</b>	<b>391,270,869</b>
Other Liabilities	25,189,798	22,056,645	15,698,909	17,674,797	40,888,707	39,731,442
Long Term Liabilities	<u>62,244,104</u>	<u>60,509,007</u>	<u>104,042,314</u>	<u>87,978,789</u>	<u>166,286,418</u>	<u>148,487,796</u>
<b>Total Liabilities</b>	<b>87,433,902</b>	<b>82,565,652</b>	<b>119,741,223</b>	<b>105,653,586</b>	<b>207,175,125</b>	<b>188,219,238</b>
Net Assets:						
Investment in capital assets						
net of related debt	42,009,620	40,462,966	104,265,334	117,229,679	146,274,954	157,692,645
Restricted	6,737,484	11,338,914	2,897,957	4,119,147	9,635,441	15,458,061
Unrestricted	<u>17,822,505</u>	<u>16,054,425</u>	<u>22,455,642</u>	<u>13,846,500</u>	<u>40,278,147</u>	<u>29,900,925</u>
<b>Total Net Assets</b>	<b><u>\$66,569,609</u></b>	<b><u>\$67,856,305</u></b>	<b><u>\$129,618,933</u></b>	<b><u>\$135,195,326</u></b>	<b><u>\$196,188,542</u></b>	<b><u>\$203,051,631</u></b>

A portion (5%) of the County's net assets have certain restrictions placed on their use. The remaining balance of unrestricted net assets (\$40,133,271) can be used to meet the County's ongoing obligations to its residents and creditors.

A major portion (56%) 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 (\$1,286,696). This decrease in net assets was primarily due to decreases in interest earned and other miscellaneous revenues. Other elements of the decrease are as follows:

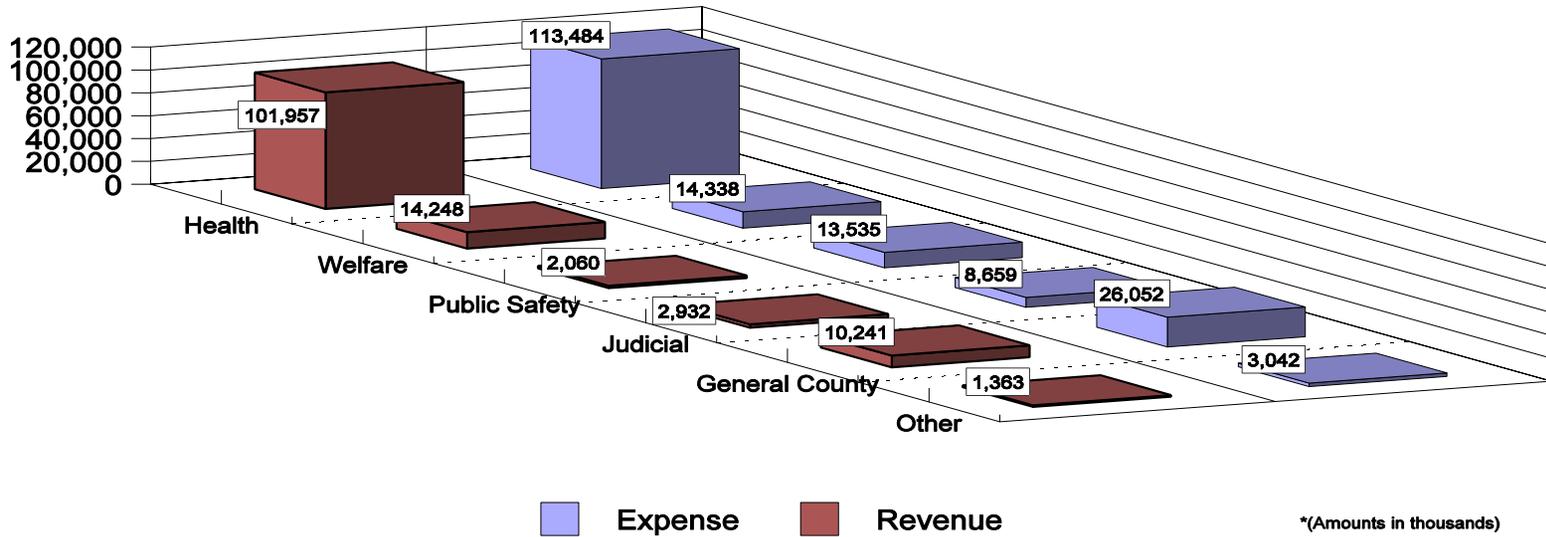
**Muskegon County Changes in Net Assets**

	Governmental Activities 2010	Governmental Activities 2009	Business-type Activities 2010	Business-type Activities 2009	Total 2010	Total 2009
Revenues						
Program Revenues						
Operating Grants and Contributions	\$35,830,570	\$34,476,040	\$2,506,122	\$4,115,838	\$38,336,692	\$38,591,878
Charges for services/Sales	96,689,851	93,816,470	23,079,749	26,182,004	119,769,600	119,998,474
Capital Grants and contribution	282,239	-	1,420,979	10,165,309	1,703,218	10,165,309
General Revenues						
Taxes	28,892,496	28,981,488	-	-	28,892,496	28,981,488
Investment Earnings	362,231	1,026,638	293,619	783,169	655,850	1,809,807
Contributions from private sources	2,043,355	2,360,918	-	-	2,043,355	2,360,918
Other	12,152,694	14,050,779	379,567	488,632	12,532,261	14,539,411
Total Revenues	\$176,253,436	\$174,712,333	\$27,680,036	\$41,734,952	\$203,933,472	\$216,447,285

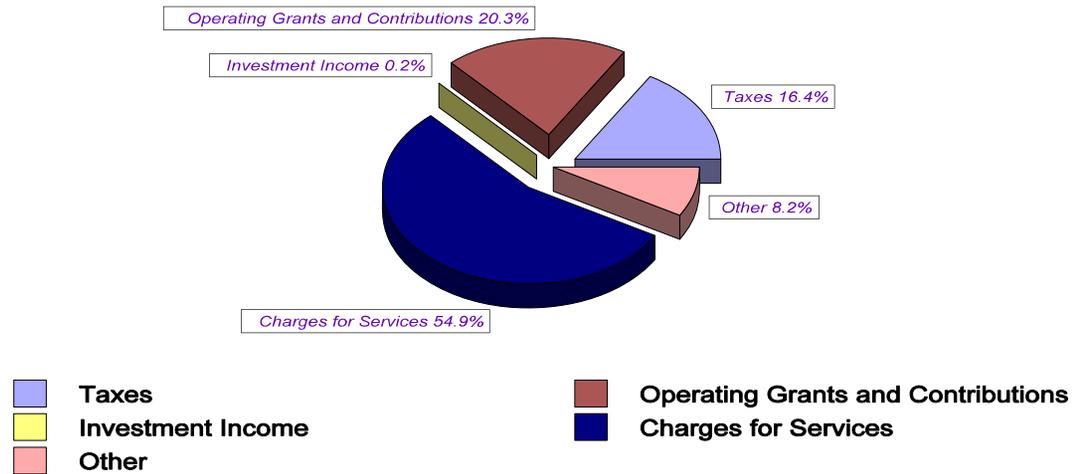
**Muskegon County Changes in Net Assets (continued)**

	Governmental Activities 2010	Governmental Activities 2009	Business-type Activities 2010	Business-type Activities 2009	Total 2010	Total 2009
Expenses						
Legislative	\$443,638	\$469,136	\$ -	\$ -	\$443,638	\$469,136
Judicial	8,658,637	8,530,696	-	-	8,658,637	8,530,696
General County Government	26,052,182	30,783,988	-	-	26,052,182	30,783,988
Public Safety	13,535,312	13,472,974	-	-	13,535,312	13,472,974
Health	113,483,923	113,687,176	-	-	113,483,923	113,687,176
Welfare	14,338,444	14,015,378	-	-	14,338,444	14,015,378
Culture	365,447	637,458	-	-	365,447	637,458
Recreation	797,512	857,463	-	-	797,512	857,463
Other	743,312	809,609	-	-	743,312	809,609
Debt Service Interest	691,781	735,862	-	-	691,781	735,862
Debt Service Other	-	714	-	-	0	714
Loss on disposal of Assets	-	-	-	-	0	0
2009/2008 Delinquent Tax Revolving	-	-	62,067	154,801	62,067	154,801
Airport	-	-	2,493,970	2,529,855	2,493,970	2,529,855
Muskegon Area Transit System	-	-	3,755,563	3,314,131	3,755,563	-
Northside Water	-	-	4,034,196	4,554,091	4,034,196	4,554,091
Wastewater	-	-	15,028,732	17,162,230	15,028,732	17,162,230
Other proprietary funds	-	-	6,311,845	4,849,944	6,311,845	4,849,944
<b>Total Expenses</b>	<b>179,110,188</b>	<b>184,000,454</b>	<b>31,686,373</b>	<b>32,565,052</b>	<b>210,796,561</b>	<b>213,251,375</b>
Increase (decrease) in net assets before transfers	(2,856,752)	(9,288,121)	(4,006,337)	9,169,900	(6,863,089)	3,195,910
Transfers	1,570,056	471,209	(1,570,056)	(471,209)	-	-
Increase (decrease) in net assets	(1,286,696)	(8,816,912)	(5,576,393)	8,698,691	(6,863,089)	(118,221)
Net Assets - October 1	67,856,305	76,673,217	135,195,326	126,496,635	203,051,631	203,169,852
Net Assets - September 30	<u>\$66,569,609</u>	<u>\$67,856,305</u>	<u>\$129,618,933</u>	<u>\$135,195,326</u>	<u>\$196,188,542</u>	<u>\$203,051,631</u>

## Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities



- Governmental activities investment income decreased by \$665,000 (65 percent) during the year. This decrease reflects the drop nation wide in investment rates.
- General County Government and Welfare decreased by 17% due to increased use of internal service funds for operations.

**Business-type activities.** Business-type activities decreased the County of Muskegon's net assets by \$5,576,393. A substantial decrease in capital grants and charges for services due to reduced flow in the Wastewater Management System contributed to the decrease 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.

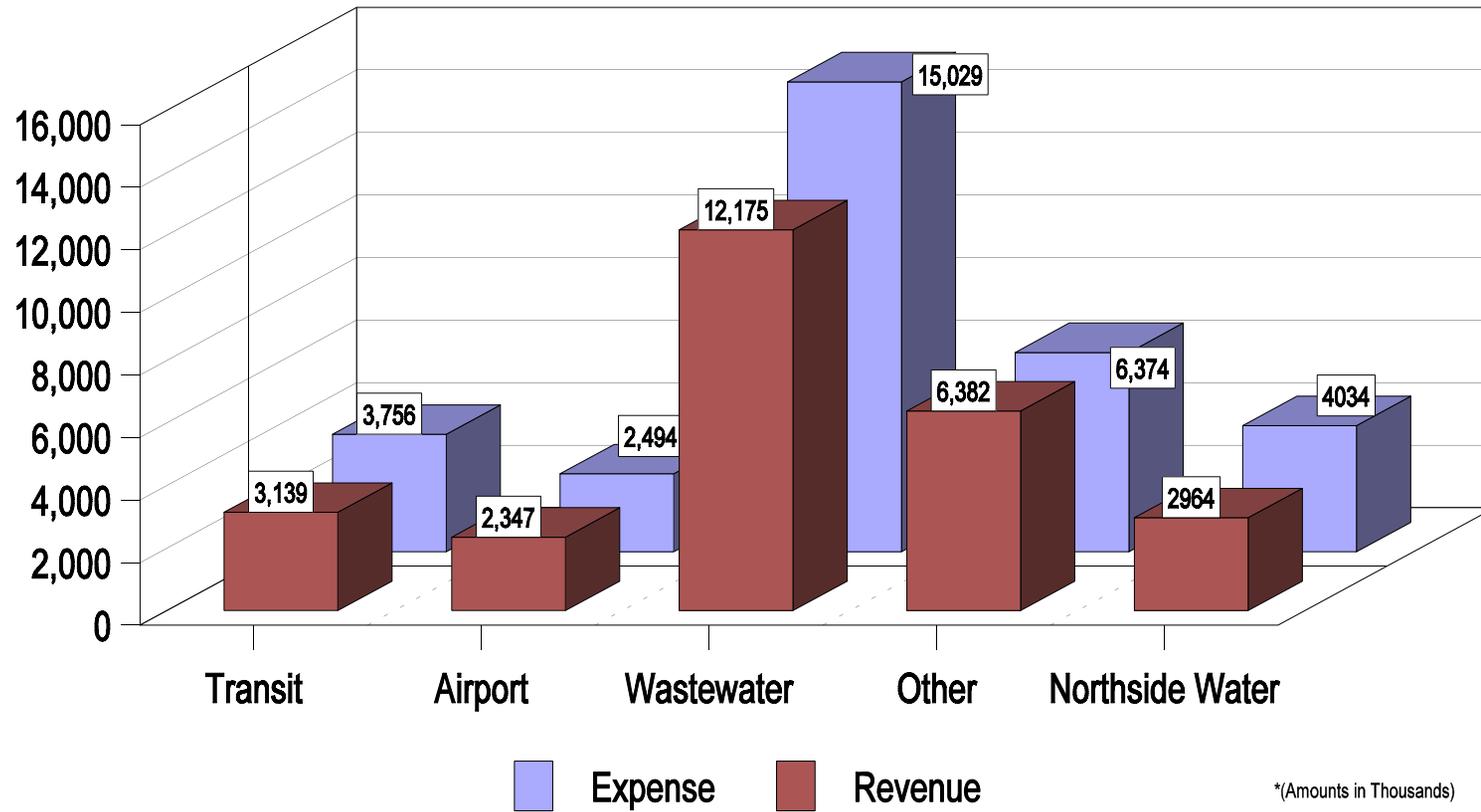
**Governmental funds.** The focus of the County of Muskegon's governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the County of Muskegon's financing requirements. In particular, unreserved fund balance 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 \$22,571,288, an decrease of (\$8,094,840) in comparison with the previous year. Approximately 50% of the fund balance (\$11,356,038) 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 (\$5,401,707), 2) to pay debt service (\$986,532), 3) to cover a potential bad debt from a prior capital project (\$975,000), 4) to hold for future grant expenditures (\$3,002,942), 5) for perpetual care (\$46,432), 6) for inventory and prepaid items (\$214,019), or, 7) for long term advances to other funds (\$588,618).

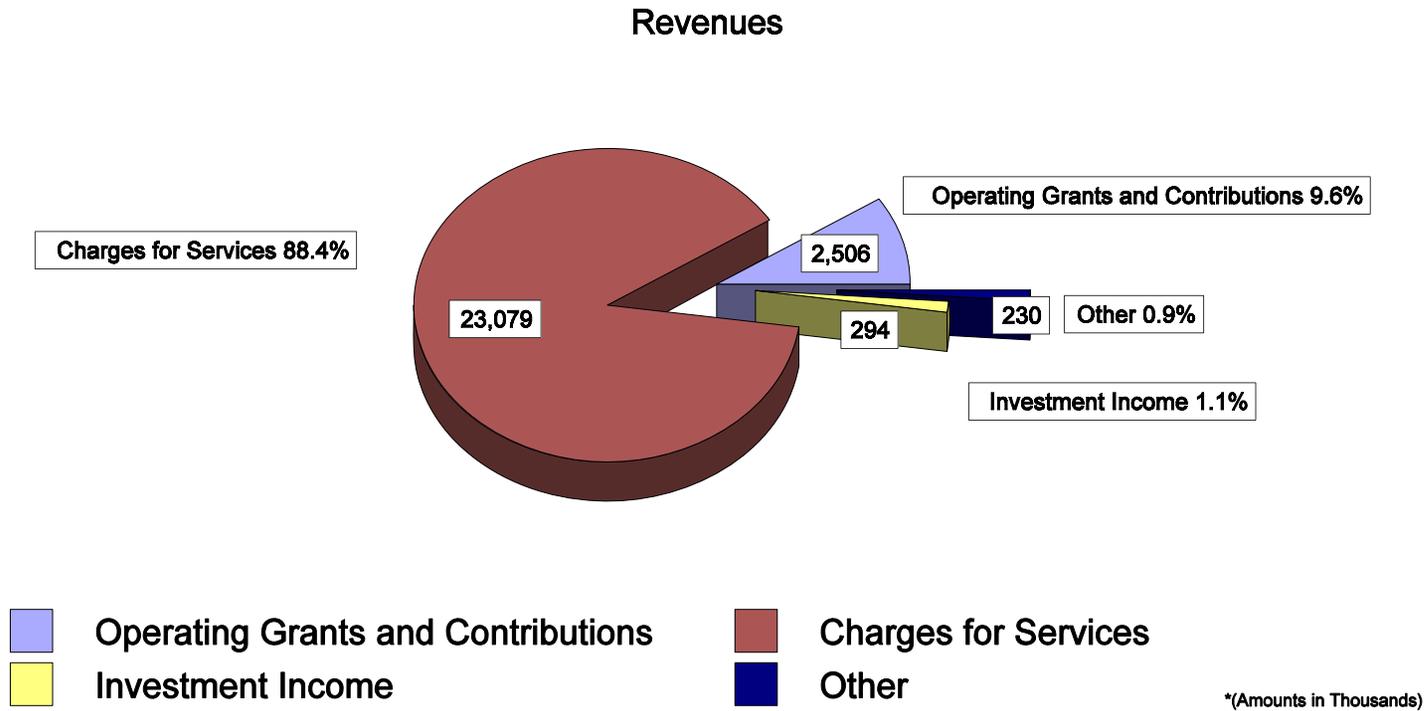
The general fund is the chief operating fund of the County of Muskegon. At the end of the current fiscal year, undesignated fund balance of the general fund was \$8,508,657 while total fund balance was \$9,186,069. As one measure of the general fund's liquidity, it is useful to compare both the unreserved 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 21% of that same amount. A comparison to prior year percentages show that fund balance grew at a 1% rate from the same period last year.

Major revenues in the charges for services area increased by \$2,873,000 while other revenues decreased \$1,898,000. Interest earnings went down for the second year in a row by \$665,000 with total expenses decreasing \$5,379,000.

## Expenses and Program Revenues - Business-Type Activities



## Revenues by source - Business-Type activities



The Water and Sewer Debt fund has a total fund balance of \$680,350, all of which is held for debt service payments. The decrease in the debt service funds balance of \$1,924,419 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 \$7,140,000 for energy improvements building and one refunding for sewer extension of \$4,315,000.

**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 \$3,797,461, Airport at \$88,648, Transit system at

\$325,063, and Northside Water at \$4,586,339. The total growth (reduction) in net assets for these four funds was (\$2,792,989), \$933,895, (\$613,526), and (\$970,469), respectively. The Delinquent Tax fund unrestricted net assets were \$1,578,046 with a net increase of \$1,578,046. 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 4%) and is briefly summarized as follows:

- Decreases in Property taxes revenues (\$636,000) due to the drop in taxable value.
- Decreases in interest earned (\$141,000) reflecting the national trend of decreasing interest rates.
- Decreases in State reimbursement of prisoners (\$329,000) because of a change in the formula.

Budgeted expenditures decreased by approximately \$1,000,000. The largest decrease was attributable to not filling open positions and the resulting savings in salary and 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, 2010 amounts to \$260 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 4%.

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

- New CMH building (\$1,726,000)
- Airport Runway Snow removal equipment (\$1,260,000)
- Wastewater construction of a new pipeline (\$8,000,000)
- Remodeling for County offices (\$2,600,000)
- Energy enhancements to buildings throughout the County (\$6,900,000)

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2010	2009	2010	2009	2010	2009
Land	\$4,203,610	\$4,323,220	\$19,886,236	\$19,886,236	\$24,089,846	\$24,209,456
Land Improvements	2,991,582	2,855,767	24,900,878	25,701,062	27,892,460	28,556,829
Lagoons	-	-	5,980,956	6,076,263	5,980,956	6,076,263
Buildings & Improvements	53,507,392	43,869,616	14,014,687	14,824,097	67,522,079	58,693,713
Machinery & Equipment	3,484,730	3,565,711	17,342,875	16,762,653	20,827,605	20,328,364
Wastewater collection and distribution system	-	-	107,942,715	61,056,351	107,942,715	61,056,351
Capitalized interest & engineering	-	-	3,705,524	4,016,194	3,705,524	4,016,194
Construction in progress	2,602,306	5,179,608	33,777	42,385,612	2,636,083	47,565,220
<b>Total</b>	<b>\$66,789,620</b>	<b>\$59,793,922</b>	<b>\$193,807,648</b>	<b>\$190,708,468</b>	<b>\$260,597,268</b>	<b>\$250,502,390</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 \$159,842,314. Of this amount, \$24,780,000 comprises debt backed by the full faith and credit of the County; \$89,542,314 in revenue bonds backed by the County and participating municipalities; \$31,020,000 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>	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$24,780,000	\$20,070,000			\$24,780,000	\$20,070,000
Special Assessment Debt with Governmental Commitment	31,020,000	33,990,000			31,020,000	33,990,000
Revenue Bond			\$89,542,314	\$72,448,792	89,542,314	72,448,792
Delinquent Tax Notes			14,500,000	14,500,000	14,500,000	14,500,000
Total	<u>\$55,800,000</u>	<u>\$54,060,000</u>	<u>\$104,042,314</u>	<u>\$86,948,792</u>	<u>\$159,842,314</u>	<u>\$141,008,792</u>

The County of Muskegon's total bonded debt increased by \$18,833,522 during the current fiscal year. The increase is attributed to normal debt payoffs of \$24,830,003 and the sale of the current year notes and bonds in the amounts of \$11,000,000 and \$32,663,525, 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 energy improvements to most County buildings, water and sewer expansion and equipment replacement, and to currently refund an existing bond for a sewer extension.

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 2010 ratio was .32% with the bonded debt per capita at \$75.93. In 2009, the ratio is .13% with a bonded debt per capita of \$29.61. The increase in both these indicators are indicative of the investment in energy improvements in County buildings.

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, 2007 through September, 2010, Muskegon County unemployment rates as compared to national rates were as follows:

	<b><u>Employment Data</u></b>							
	<u>2010 County</u>	<u>2010 USA</u>	<u>2009 County</u>	<u>2009 USA</u>	<u>2008 County</u>	<u>2008 USA</u>	<u>2007 County</u>	<u>2007 USA</u>
October	15.2	10.6	9.5	6.6	6.7	4.8	6.1	4.4
November	15.3	10.4	9.4	6.8	6.7	4.7	6.6	4.5
December	16.2	10.2	9.7	7.2	7.0	5.0	6.7	4.5
January	16.6	10.6	13.5	7.6	7.5	4.9	7.3	4.6
February	16.3	10.4	14.2	8.1	7.9	4.8	7.5	4.5
March	16.5	10.2	14.9	8.5	7.6	5.1	7.3	4.4
April	14.8	9.5	14.2	8.9	5.5	5.0	6.9	4.5
May	14.0	9.3	15.8	9.4	8.3	5.5	6.9	4.5
June	13.9	9.6	16.8	9.5	8.5	5.5	7.6	4.5
July	14.9	9.7	16.9	9.4	9.9	5.7	8.0	4.6
August	13.4	9.5	16.2	9.7	9.1	6.1	7.1	4.6
September	<u>13.2</u>	<u>9.2</u>	<u>16.0</u>	<u>9.8</u>	<u>9.2</u>	<u>6.1</u>	<u>7.3</u>	<u>4.7</u>
Average	<u>15.0</u>	<u>9.9</u>	<u>13.9</u>	<u>8.5</u>	<u>7.8</u>	<u>5.3</u>	<u>7.1</u>	<u>4.5</u>

Muskegon County's unemployment rate has increased compared to 2007. 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 2007 level. The County continues its commitment to its citizens by continuing its programs to enhance the quality of life and job creation. These are:

- Completed the rebuilding of 8.5 miles of sewer pipeline to maintain a high quality aquifer for fish and wildlife.
- Completed construction of a new Community Mental Health center to serve Muskegon County residents.
- Enhanced our airport operations with new snow handling equipment.

## 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, 2010*

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business - Type Activities	Total	Road Commission
Cash and cash equivalents	\$ 26,510,483	\$ 22,135,516	\$ 48,645,999	\$ 3,357,659
Investments	10,006,184	8,513,816	18,520,000	-
Receivables				
Accounts	5,398,786	3,533,623	8,932,409	-
Intergovernmental	8,555,564	1,098,719	9,654,283	2,070,935
Accrued interest	172,928	78,897	251,825	-
Current taxes	4,055,755	11,111,608	15,167,363	-
Delinquent taxes	-	6,239,647	6,239,647	-
Interest and penalties on delinquent taxes	-	1,918,857	1,918,857	-
Special assessments	30,043,153	-	30,043,153	-
Other	3,428	-	3,428	179,050
Prepaid Items	240,726	-	240,726	197,992
Prepaid expenses	-	54,571	54,571	-
Internal balances	933,715	(933,715)	-	-
Inventories	118,169	56,120	174,289	1,950,590
Restricted assets	-	1,744,849	1,744,849	294,012
Long-term note receivable	1,175,000	-	1,175,000	-
Land	4,203,610	19,886,236	24,089,846	24,148,391
Construction in progress	2,602,306	33,777	2,636,083	-
Capital Assets, net of accumulated depreciation	59,983,704	173,887,635	233,871,339	41,005,447
	<u>\$ 154,003,511</u>	<u>\$ 249,360,156</u>	<u>\$ 403,363,667</u>	<u>\$ 73,204,076</u>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Net Assets  
September 30, 2010*

	Primary Government		Total	Component Unit
	Governmental Activities	Business - Type Activities		Road Commission
<b>LIABILITIES</b>				
Payables				
Accounts	\$ 11,506,579	\$ 3,123,710	\$ 14,630,289	\$ 852,075
Intergovernmental	4,020,237	-	4,020,237	-
Advances	-	-	-	429,204
Accrued liabilities	9,571,017	12,575,199	22,146,216	118,256
Unearned revenue	91,965	-	91,965	107,495
Long-term debt				
Due within one year	7,722,000	15,300,000	23,022,000	457,000
Due in more than one year	54,522,104	88,742,314	143,264,418	803,271
Total liabilities	<u>\$ 87,433,902</u>	<u>\$ 119,741,223</u>	<u>\$ 207,175,125</u>	<u>\$ 2,767,301</u>
<b>NET ASSETS</b>				
Invested in capital assets net of related debt	\$42,009,620	\$ 104,265,334	\$ 146,274,954	\$ 64,260,813
Restricted for:				
Special Revenue - Grant programs and other activities	302,813	-	302,813	6,175,962
Closure Costs	-	2,897,957	2,897,957	-
Capital Projects	5,401,707	-	5,401,707	-
Debt Service	986,532	-	986,532	-
Permanent Fund - expendable	9,262	-	9,262	-
Permanent Fund - nonexpendable	37,170	-	37,170	-
Unrestricted	17,822,505	22,455,642	40,278,147	-
Total Net Assets	<u>\$ 66,569,609</u>	<u>\$ 129,618,933</u>	<u>\$ 196,188,542</u>	<u>\$ 70,436,775</u>

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Activities

For the Year Ended September 30, 2010

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental	Primary Government Business-Type Activities	Total	Road Commission
<b>Primary Government:</b>									
<b>Governmental Activities</b>									
Legislative	\$ 443,638	\$ -	\$ -	\$ -	\$ -	(\$ 443,638)	\$ -	(\$ 443,638)	\$ -
Judicial	8,658,637	2,595,849	336,471	-	2,932,320	(5,726,317)	-	(5,726,317)	-
General County Government	26,052,182	5,347,093	4,611,585	282,239	10,240,917	(15,811,265)	-	(15,811,265)	-
Public Safety	13,535,312	534,406	1,526,246	-	2,060,652	(11,474,660)	-	(11,474,660)	-
Health	113,483,923	86,948,084	15,009,762	-	101,957,846	(11,526,077)	-	(11,526,077)	-
Welfare	14,338,444	-	14,248,483	-	14,248,483	(89,961)	-	(89,961)	-
Culture	365,447	-	70,227	-	70,227	(295,220)	-	(295,220)	-
Recreation	797,512	667,152	-	-	667,152	(130,360)	-	(130,360)	-
Other	743,312	597,267	27,796	-	625,063	(118,249)	-	(118,249)	-
<b>Debt Service</b>									
Interest	691,781	-	-	-	-	(691,781)	-	(691,781)	-
<b>Total Governmental Activities</b>	<b>179,110,188</b>	<b>96,689,851</b>	<b>35,830,570</b>	<b>282,239</b>	<b>132,802,660</b>	<b>(46,307,528)</b>	<b>-</b>	<b>(46,307,528)</b>	<b>-</b>
<b>Business-Type Activities:</b>									
2009 Delinquent Tax Revolving (5169)	62,067	1,639,751	-	-	1,639,751	-	1,577,684	1,577,684	-
Airport (5810)	2,493,970	1,114,899	-	1,231,907	2,346,806	-	(147,164)	(147,164)	-
Muskegon Area Transit System (5880)	3,755,563	575,720	2,373,931	189,072	3,138,723	-	(616,840)	(616,840)	-
Northside Water (5910)	4,034,196	2,963,556	-	-	2,963,556	-	(1,070,640)	(1,070,640)	-
Wastewater (5920)	15,028,732	12,042,662	132,191	-	12,174,853	-	(2,853,879)	(2,853,879)	-
Other Proprietary Funds	6,311,845	4,743,161	-	-	4,743,161	-	(1,568,684)	(1,568,684)	-
<b>Total Business-Type Activities</b>	<b>31,686,373</b>	<b>23,079,749</b>	<b>2,506,122</b>	<b>1,420,979</b>	<b>27,006,850</b>	<b>-</b>	<b>(4,679,523)</b>	<b>(4,679,523)</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 210,796,561</b>	<b>\$ 119,769,600</b>	<b>\$ 38,336,692</b>	<b>\$ 1,703,218</b>	<b>\$ 159,809,510</b>	<b>(46,307,528)</b>	<b>(4,679,523)</b>	<b>(50,987,051)</b>	<b>-</b>
<b>Component Unit:</b>									
Muskegon County Road Commission	\$13,495,752	\$2,276,089	\$8,945,203	\$2,603,053	\$13,824,345				\$ 328,593
<b>General Revenues:</b>									
Property Taxes						28,892,496	-	28,892,496	-
Investment Earnings						362,231	293,619	655,850	28,414
Gain (Loss) on Disposal of Assets						-	-	-	59,766
Donations (unrestricted)						2,043,355	-	2,043,355	-
Other						12,152,694	379,567	12,532,261	185,499
Transfers						1,570,056	(1,570,056)	-	-
<b>Total General Revenues and Transfers</b>						<b>45,020,832</b>	<b>(896,870)</b>	<b>44,123,962</b>	<b>273,679</b>
<b>Change in Net Assets</b>						<b>(1,286,696)</b>	<b>(5,576,393)</b>	<b>(6,863,089)</b>	<b>602,272</b>
<b>Net Assets - Beginning of Year</b>						<b>67,856,305</b>	<b>135,195,326</b>	<b>203,051,631</b>	<b>69,834,503</b>
<b>Net Assets - End of Year</b>						<b>\$ 66,569,609</b>	<b>\$ 129,618,933</b>	<b>\$ 196,188,542</b>	<b>\$ 70,436,775</b>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Balance Sheet*

*Governmental Funds*

*September 30, 2010*

ASSETS	General (1010)	Community Mental Health (2220)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 151,720	\$ 4,306,084	\$ 226,068	\$ 10,326,897	\$ 15,010,769
Investments	1,057,274	3,058,104	87,916	1,342,320	5,545,614
Receivables					
Accounts	465,649	589,473	1,587,331	2,628,372	5,270,825
Intergovernmental	466,833	-	-	8,088,731	8,555,564
Accrued interest	121,105	10,214	548	15,600	147,467
Special assessments	-	-	30,035,000	8,153	30,043,153
Current taxes	4,055,755	-	-	-	4,055,755
Other	3,428	-	-	-	3,428
Prepaid Items	-	194,634	-	46,092	240,726
Due from other funds	4,001,031	-	-	-	4,001,031
Inventories	-	-	-	118,169	118,169
Long-term advances to other funds	588,618	-	-	-	588,618
Long-term note receivable	-	-	-	975,000	975,000
	<u>\$ 10,911,413</u>	<u>\$ 8,158,509</u>	<u>\$ 31,936,863</u>	<u>\$ 23,549,334</u>	<u>\$ 74,556,119</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, 2010

	General (1010)	Community Mental Health (2220)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Payables</b>					
Accounts	\$ 371,882	\$ 2,845,504	\$ -	\$ 6,066,268	\$ 9,283,654
Intergovernmental	-	2,887,246	691,205	441,786	4,020,237
Accrued liabilities	1,353,462	1,044,565	308	1,736,240	4,134,575
Due to other funds	-	-	-	3,867,900	3,867,900
Long-term advances from other funds	-	-	-	21,500	21,500
Deferred revenue	-	50,000	30,565,000	41,965	30,656,965
<b>Total liabilities</b>	<b>\$ 1,725,344</b>	<b>\$ 6,827,315</b>	<b>\$ 31,256,513</b>	<b>\$ 12,175,659</b>	<b>\$ 51,984,831</b>
<b>Fund Balances</b>					
Reserved for long-term advances to other funds	\$ 588,618	\$ -	\$ -	\$ -	\$ 588,618
Reserved for long-term note receivable	-	-	-	975,000	975,000
Reserved for prepaids/inventory	-	194,634	-	19,385	214,019
Unreserved					
Capital Projects	-	-	-	5,401,707	5,401,707
Grant programs, contracts and other activities	88,794	-	-	-	88,794
Special Revenue	-	1,136,560	-	1,777,588	2,914,148
Debt Service	-	-	680,350	306,182	986,532
Permanent Funds - expendable	-	-	-	9,262	9,262
Permanent Funds - nonexpendable	-	-	-	37,170	37,170
Undesignated - General Fund	8,508,657	-	-	-	8,508,657
Undesignated - Special Revenue	-	-	-	2,847,381	2,847,381
<b>Total Fund Balances</b>	<b>9,186,069</b>	<b>1,331,194</b>	<b>680,350</b>	<b>11,373,675</b>	<b>22,571,288</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,911,413</b>	<b>\$ 8,158,509</b>	<b>\$ 31,936,863</b>	<b>\$ 23,549,334</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. 56,189,691

Internal Service Funds are used by management to charge the costs of certain  
activities, such as insurance and equipment leasing to individual funds.  
The assets and liabilities of the Internal Service Funds are included in the  
governmental activities in the Government-wide Statement of Net Assets 12,347,734

Deferred revenue in Debt Service is recognized on the full accrual basis in the  
Government Wide Financial Statements 30,565,000

Long term liabilities are not due and payable in the current period and therefore  
they are not reported in the Governmental Funds Balance Sheet (55,104,104)

Net Assets of Governmental Activities \$ 66,569,609

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, 2010*

	General (1010)	Community Mental Health (2220)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 26,367,644	\$ -	\$ -	\$ 2,524,852	\$ 28,892,496
Licenses and permits	38,034	-	-	858,608	896,642
Operating grants and contributions	2,234,485	6,076,935	-	27,519,150	35,830,570
Charges for services	7,598,661	71,071,302	1,688	15,468,721	94,140,372
Fines and forfeitures	579,504	-	-	7,700	587,204
Investment income	202,089	29,372	514	55,115	287,090
Rentals	144,693	-	-	920,940	1,065,633
Special assessments	-	-	925,000	-	925,000
Contributions from private sources	-	2,033,900	-	9,455	2,043,355
Other	1,101,482	88,410	-	3,435,075	4,624,967
<b>Total revenues</b>	<b>38,266,592</b>	<b>79,299,919</b>	<b>927,202</b>	<b>50,799,616</b>	<b>169,293,329</b>
<b>Expenditures</b>					
<b>Current operations</b>					
Legislative	443,638	-	-	-	443,638
Judicial	7,132,449	-	-	1,503,737	8,636,186
General County government	12,609,624	-	-	4,881,541	17,491,165
Public safety	11,327,173	-	-	1,995,471	13,322,644
Health	-	79,888,578	50,095	34,409,919	114,348,592
Welfare	-	-	-	14,245,651	14,245,651
Culture	151,867	-	-	212,965	364,832
Recreation	-	-	-	589,805	589,805
Other	555,975	-	-	187,337	743,312
Capital outlay	29,113	76,447	-	2,647,721	2,753,281
<b>Debt service</b>					
Principal payments	-	-	2,760,000	1,400,000	4,160,000
Interest	-	-	-	691,781	691,781
<b>Total expenditures</b>	<b>32,249,839</b>	<b>79,965,025</b>	<b>2,810,095</b>	<b>62,765,928</b>	<b>177,790,887</b>
Revenues over (under) expenditures	6,016,753	(665,106)	(1,882,893)	(11,966,312)	(8,497,558)
<b>Other financing sources (uses)</b>					
Sales of Capital Assets	-	19,625	-	3,150	22,775
Transfers in	5,230,563	724,968	-	10,432,684	16,388,215
Issuance of refunded bonds	-	-	4,315,000	-	4,315,000
Payment to refunded bond escrow agent	-	-	(4,356,526)	-	(4,356,526)
Transfers (out)	(11,242,142)	(750,000)	-	(3,974,604)	(15,966,746)
	(6,011,579)	(5,407)	(41,526)	6,461,230	402,718
<b>Net change in fund balance</b>	<b>5,174</b>	<b>(670,513)</b>	<b>(1,924,419)</b>	<b>(5,505,082)</b>	<b>(8,094,840)</b>
Fund balance at beginning of year	9,180,895	2,001,707	2,604,769	16,878,757	30,666,128
Fund balance at end of year	<b>\$ 9,186,069</b>	<b>\$ 1,331,194</b>	<b>\$ 680,350</b>	<b>\$ 11,373,675</b>	<b>\$ 22,571,288</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, 2010**

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

Net Change in fund balances - total governmental funds	(\$ 8,094,840)
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	934,742
The repayment of long term debt consumes current financial resources but does not effect net assets	4,160,000
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	(426,661)
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	(925,000)
Recognition of special assessment revenue with the issuance of special assessment debt	4,315,000
The issuance of long term debt provides current financial resources but does not affect net assets	(4,315,000)
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	191,252
Due from other funds in the General Fund for cash deficits	133,131
Due to Proprietary funds from Governmental funds for cash deficits	(133,131)
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	800,584
Long term advances from Internal Service funds	(800,584)
Long term advances to Proprietary funds	499,943
Long term advances from Proprietary funds	(499,943)
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>2,873,811</u>
Change in net assets of governmental activities	<u>(\$ 1,286,696)</u>

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

County of Muskegon

Statement of Net Assets  
Proprietary Funds  
September 30, 2010

ASSETS	Business-type Activities - Enterprise Funds						Governmental Activities Internal Service Funds	
	2009 Delinquent Tax Revolving (5169)	Airport (5810)	Muskegon Area Transit System (5880)	Northside Water (5910)	Wastewater (5920)	Other Enterprise Funds		Totals
<b>CURRENT ASSETS</b>								
Cash and cash equivalents	\$ 1,339,143	\$ 958,368	\$ 249,056	\$ 2,698,110	\$ 3,961,894	\$ 12,928,945	\$ 22,135,516	\$ 11,499,714
Investments	520,778	372,698	96,855	1,049,265	1,540,737	4,933,483	8,513,816	4,460,570
Receivables								
Accounts	-	163,050	26,449	712,061	1,836,616	795,447	3,533,623	127,961
Intergovernmental	-	14,753	401,330	682,636	-	-	1,098,719	-
Accrued interest	341	1,653	720	5,525	7,182	63,476	78,897	25,461
Current taxes	4,355,503	-	-	-	-	6,756,105	11,111,608	-
Current portion of interest and penalties on delinquent taxes	479,105	-	-	-	-	668,056	1,147,161	-
Due from other funds	-	-	-	-	-	528	528	-
Prepaid expenses	-	-	-	-	54,571	-	54,571	-
Inventories	-	-	-	-	51,021	5,099	56,120	-
Restricted Assets	-	-	-	-	-	1,744,849	1,744,849	-
Total current assets	6,694,870	1,510,522	774,410	5,147,597	7,452,021	27,895,988	49,475,408	16,113,706
<b>NONCURRENT ASSETS</b>								
Long-term advances to other funds	-	-	-	-	-	499,415	499,415	800,584
Long-term note receivable	-	-	-	-	-	-	-	200,000
Delinquent taxes receivable	5,323,392	-	-	-	-	916,255	6,239,647	-
Interest and penalties on delinquent taxes	585,573	-	-	-	-	186,123	771,696	-
Land	-	11,224,701	199,487	-	7,552,419	909,629	19,886,236	459,908
Construction in progress	-	-	-	-	33,777	-	33,777	1,815,180
Property and equipment at cost, net of accumulated depreciation	-	18,116,648	6,590,133	17,804,675	125,350,603	6,025,576	173,887,635	8,324,841
Total noncurrent assets	5,908,965	29,341,349	6,789,620	17,804,675	132,936,799	8,536,998	201,318,406	11,600,513
Total assets	\$ 12,603,835	\$ 30,851,871	\$ 7,564,030	\$ 22,952,272	\$ 140,388,820	\$ 36,432,986	\$ 250,793,814	\$ 27,714,219

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, 2010

	Business-type Activities - Enterprise Funds						Governmental Activities Internal Service Funds	
	2009 Delinquent Tax Revolving (5169)	Airport (5810)	Muskegon Area Transit System (5880)	Northside Water (5910)	Wastewater (5920)	Other Enterprise Funds		Totals
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable	\$ -	\$ 310,216	\$ 72,870	\$ 220,856	\$ 2,411,857	\$ 107,911	\$ 3,123,710	\$ 2,222,925
Accrued liabilities	-	111,659	376,477	46,144	1,078,971	181,578	1,794,829	1,929,028
Due to other funds	-	-	-	-	-	133,659	133,659	-
Current portion of accrued closure costs	-	-	-	-	-	308,897	308,897	-
Accrued interest	25,789	-	-	294,258	163,732	-	483,779	-
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	-	-	-	455,000	3,845,000	-	4,300,000	285,000
<b>Total current liabilities</b>	<b>7,525,789</b>	<b>421,875</b>	<b>449,347</b>	<b>1,016,258</b>	<b>7,499,560</b>	<b>4,232,045</b>	<b>21,144,874</b>	<b>4,436,953</b>
<b>NONCURRENT LIABILITIES</b>								
Notes payable	3,500,000	-	-	-	-	-	3,500,000	-
Accrued closure costs	-	-	-	-	-	9,987,694	9,987,694	-
Accrued liabilities	-	-	-	-	-	-	-	3,507,414
Long-term advances from other funds	-	999,999	-	-	-	300,000	1,299,999	567,118
Long-term debt due in more than one year	-	-	-	15,670,000	69,572,314	-	85,242,314	6,855,000
<b>Total noncurrent liabilities</b>	<b>3,500,000</b>	<b>999,999</b>	<b>-</b>	<b>15,670,000</b>	<b>69,572,314</b>	<b>10,287,694</b>	<b>100,030,007</b>	<b>10,929,532</b>
<b>Total liabilities</b>	<b>11,025,789</b>	<b>1,421,874</b>	<b>449,347</b>	<b>16,686,258</b>	<b>77,071,874</b>	<b>14,519,739</b>	<b>121,174,881</b>	<b>15,366,485</b>
<b>NET ASSETS</b>								
Invested in Capital Assets, Net of related debt	-	29,341,349	6,789,620	1,679,675	59,519,485	6,935,205	104,265,334	3,744,929
Restricted for cell closure	-	-	-	-	-	2,897,957	2,897,957	-
Unrestricted	1,578,046	88,648	325,063	4,586,339	3,797,461	12,080,085	22,455,642	8,602,805
<b>Total Net Assets</b>	<b>\$ 1,578,046</b>	<b>\$ 29,429,997</b>	<b>\$ 7,114,683</b>	<b>\$ 6,266,014</b>	<b>\$ 63,316,946</b>	<b>\$ 21,913,247</b>	<b>\$ 129,618,933</b>	<b>\$ 12,347,734</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, 2010

	Business-type Activities - Enterprise Funds						Governmental Activities Internal Service Funds	
	2009 Delinquent Tax Revolving (5169)	Airport (5810)	Muskegon Area Transit System (5880)	Northside Water (5910)	Wastewater (5920)	Other Enterprise Funds		Totals
<b>Operating revenues</b>								
Charges for services	\$ -	\$ 1,114,899	\$ 575,720	\$ 2,963,556	\$ 10,220,954	\$ 3,272,074	\$ 18,147,203	\$ -
Farm sales	-	-	-	-	1,821,708	-	1,821,708	-
Interest and penalties on delinquent taxes	1,639,751	-	-	-	-	1,471,087	3,110,838	-
Premiums	-	-	-	-	-	-	-	19,245,719
Rents	-	-	-	-	-	-	-	1,509,418
Other	-	73,315	1,037	39,667	1,866	479	116,364	7,376,751
	<u>1,639,751</u>	<u>1,188,214</u>	<u>576,757</u>	<u>3,003,223</u>	<u>12,044,528</u>	<u>4,743,640</u>	<u>23,196,113</u>	<u>28,131,888</u>
<b>Operating expenses</b>								
Salaries and fringe benefits	-	775,950	2,047,837	215,199	3,987,152	893,045	7,919,183	1,272,788
Supplies and other operating expenses	36,278	935,686	901,563	1,808,170	3,777,495	4,474,344	11,933,536	1,476,053
Insurance benefits and claims	-	-	-	-	-	-	-	1,140,974
Insurance premiums	-	-	-	-	-	-	-	21,934,567
Interest expense	25,789	-	-	-	-	202,260	228,049	16,130
Depreciation and amortization	-	757,311	598,350	402,865	4,276,359	742,196	6,777,081	919,327
	<u>62,067</u>	<u>2,468,947</u>	<u>3,547,750</u>	<u>2,426,234</u>	<u>12,041,006</u>	<u>6,311,845</u>	<u>26,857,849</u>	<u>26,759,839</u>
Operating income (loss)	<u>1,577,684</u>	<u>(1,280,733)</u>	<u>(2,970,993)</u>	<u>576,989</u>	<u>3,522</u>	<u>(1,568,205)</u>	<u>(3,661,736)</u>	<u>1,372,049</u>
<b>Non Operating revenues (expenses)</b>								
Operating subsidies	-	-	2,373,931	-	132,191	-	2,506,122	-
Interest income	362	7,435	2,277	60,504	59,274	163,767	293,619	75,141
Interest expense	-	(25,023)	-	(706,874)	(1,822,474)	-	(2,554,371)	-
Loss on disposal of capital assets	-	-	(207,813)	-	(1,165,252)	-	(1,373,065)	-
Other	-	124,789	-	(901,088)	(250)	138,664	(637,885)	(4,205)
	<u>362</u>	<u>107,201</u>	<u>2,168,395</u>	<u>(1,547,458)</u>	<u>(2,796,511)</u>	<u>302,431</u>	<u>(1,765,580)</u>	<u>70,936</u>
Income (loss) before operating transfers and capital contributions	<u>1,578,046</u>	<u>(1,173,532)</u>	<u>(802,598)</u>	<u>(970,469)</u>	<u>(2,792,989)</u>	<u>(1,265,774)</u>	<u>(5,427,316)</u>	<u>1,442,985</u>
<b>Capital contributions</b>								
Transfers in	-	1,231,907	189,072	-	-	-	1,420,979	282,239
Transfers (out)	-	875,520	-	-	-	9,412,251	10,287,771	1,148,587
	<u>-</u>	<u>2,107,427</u>	<u>189,072</u>	<u>-</u>	<u>-</u>	<u>(11,857,827)</u>	<u>(11,857,827)</u>	<u>-</u>
Change in Net Assets	<u>1,578,046</u>	<u>933,895</u>	<u>(613,526)</u>	<u>(970,469)</u>	<u>(2,792,989)</u>	<u>(3,711,350)</u>	<u>(5,576,393)</u>	<u>2,873,811</u>
Net Assets at beginning of year	-	28,496,102	7,728,209	7,236,483	66,109,935	25,624,597	135,195,326	9,473,923
Net Assets at end of year	<u>\$ 1,578,046</u>	<u>\$ 29,429,997</u>	<u>\$ 7,114,683</u>	<u>\$ 6,266,014</u>	<u>\$ 63,316,946</u>	<u>\$ 21,913,247</u>	<u>\$ 129,618,933</u>	<u>\$ 12,347,734</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, 2010

	Business-type Activities - Enterprise Funds						Governmental Activities Internal Service Funds	
	2009 Delinquent Tax Revolving (5169)	Airport (5810)	Muskegon Area Transit System (5880)	Northside Water (5910)	Wastewater (5920)	Other Enterprise Funds		Totals
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
Cash Received from Customers	\$ 1,639,751	\$ 1,097,300	\$ 586,354	\$ 4,486,969	\$ 10,907,730	\$ 4,471,916	\$ 23,190,020	\$ 537,006
Cash Received from other funds	-	-	-	-	-	-	-	27,731,306
Cash Payments to Suppliers of Goods and Services	(36,278)	(810,425)	(855,431)	(2,324,825)	(7,953,031)	(1,711,414)	(13,691,404)	(25,160,662)
Interest Paid	-	-	-	-	-	(860,725)	(860,725)	-
Cash Payments to Employees for Services	-	(957,665)	(1,958,546)	(212,425)	(4,182,420)	(386,155)	(7,697,211)	(1,276,201)
Tax collections	7,455,408	-	-	-	-	-	7,455,408	-
Delinquent tax payments to municipalities	(7,455,408)	-	-	-	-	-	(7,455,408)	-
Other receipts	-	-	-	39,667	1,866	53,042	94,575	-
Net cash provided by (used for) Operating Activities	1,603,473	(670,790)	(2,227,623)	1,989,386	(1,225,855)	1,566,664	1,035,255	1,831,449
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Advances from (to) other funds	-	(348,797)	-	-	-	7,414,628	7,065,831	-
Tax Collections	256,427	-	-	-	-	6,482,466	6,738,893	-
Note Proceeds	11,000,000	-	-	-	-	-	11,000,000	-
Tax payments to municipalities	(11,000,000)	-	-	-	-	-	(11,000,000)	-
Increase in Investments	-	-	-	-	-	38,893	38,893	-
Operating Subsidies from Grants	-	-	1,884,102	(901,089)	132,191	-	1,115,204	-
Transfers (out)	-	-	-	-	-	(11,857,827)	(11,857,827)	(333,429)
Transfers in	-	875,520	-	-	-	9,412,251	10,287,771	909,193
Sales of non-capitalized assets	-	-	9,159	-	(250)	-	8,909	-
Note payments	-	-	-	-	-	(11,000,000)	(11,000,000)	-
Net cash provided by (used for) noncapital financing activities	256,427	526,723	1,893,261	(901,089)	131,941	490,411	2,397,674	575,764
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Bond and Note Issuance	-	-	-	-	21,259,145	-	21,259,145	7,140,000
Principal payments on long term debt	-	(1,030,000)	-	(440,000)	(3,675,000)	-	(5,145,000)	(843,651)
Transfers from other funds	-	-	-	-	-	-	-	239,394
Principal received (paid) on long term advances	-	-	-	-	-	-	-	602,694
Interest expense and agent fees	-	(39,829)	-	(714,122)	(1,822,474)	-	(2,576,425)	-
Purchase of capital assets	-	(1,260,995)	27,900	(184,265)	(9,222,384)	(428,603)	(11,068,347)	(7,101,303)
Sale of capital assets	-	114,975	-	-	-	60,002	174,977	80
Capital contributions and grants	-	1,241,718	189,072	-	-	-	1,430,790	282,239
Net cash used for capital and related financing activities	-	(974,131)	216,972	(1,338,387)	6,539,287	(368,601)	4,075,140	319,453
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>								
Proceeds from sales and maturities of investments	1,005,845	1,298,562	302,458	3,011,283	2,975,822	12,746,011	21,339,981	11,909,094
Purchase of investments	(1,526,623)	(1,092,540)	(283,924)	(3,075,845)	(4,516,559)	(14,738,918)	(25,234,409)	(13,075,843)
Interest received from investment pool	21	6,997	1,745	58,657	57,258	135,820	260,498	58,332
Net cash provided by investing activities	(\$ 520,757)	\$ 213,019	\$ 20,279	(\$ 5,905)	(\$ 1,483,479)	(\$ 1,857,087)	(\$ 3,633,930)	(\$ 1,108,417)

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, 2010

	Business-type Activities - Enterprise Funds						Governmental Activities Internal Service Funds	
	2009 Delinquent Tax Revolving (5169)	Airport (5810)	Muskegon Area Transit System (5880)	Northside Water (5910)	Wastewater (5920)	Other Enterprise Funds		Totals
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 1,339,143	(\$ 905,179)	(\$ 97,111)	(\$ 255,995)	\$ 3,961,894	(\$ 168,613)	\$ 3,874,139	\$ 1,618,249
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	-	1,863,547	346,167	2,954,105	-	13,097,558	18,261,377	9,881,465
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,339,143	\$ 958,368	\$ 249,056	\$ 2,698,110	\$ 3,961,894	\$ 12,928,945	\$ 22,135,516	\$ 11,499,714
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>								
Operating income (loss)	\$ 1,577,684	(\$ 1,280,733)	(\$ 2,970,993)	\$ 576,989	\$ 3,522	(\$ 1,568,205)	(\$ 3,661,736)	\$ 1,372,049
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation expense	-	757,311	598,350	402,865	4,276,359	742,196	6,777,081	919,327
Changes in Assets and Liabilities:								
(Increase) decrease in accounts receivable	-	(76,162)	9,597	(126,708)	(242,004)	(236,956)	(672,233)	128,772
(Increase) decrease in intergovernmental receivable	-	(14,752)	-	1,650,121	-	-	1,635,369	-
(Increase) decrease in inventory	-	-	-	-	(7,220)	(471)	(7,691)	-
Increase (decrease) in accounts payable	-	125,261	46,132	(516,655)	(4,113,745)	(32,950)	(4,491,957)	(134,719)
(Increase) decrease in prepaid expenses	-	-	-	-	(54,571)	415	(54,156)	-
(Increase) decrease in restricted assets	-	-	-	-	-	(83,306)	(83,306)	-
(Decrease) in closure costs	-	-	-	-	-	2,880,470	2,880,470	-
Increase (decrease) in due to other funds	-	-	-	-	(892,928)	(528)	(893,456)	-
Increase (decrease) in accrued liabilities	25,789	(181,715)	89,291	2,774	(195,268)	(134,001)	(393,130)	(453,980)
Total adjustments	25,789	609,943	743,370	1,412,397	(1,229,377)	3,134,869	4,696,991	459,400
Net cash provided by (used for) operations	\$ 1,603,473	(\$ 670,790)	(\$ 2,227,623)	\$ 1,989,386	(\$ 1,225,855)	\$ 1,566,664	\$ 1,035,255	\$ 1,831,449

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Fiduciary Net Assets*

*Fiduciary Funds*

*September 30, 2010*

	<u>Agency Funds</u>	<u>Private Purpose Trust Fund Epic Heir Trust (7650)</u>
<b>ASSETS</b>		
Cash and cash investments	\$ 14,519,075	\$ 46,427
Accounts receivable	1,331,863	-
Accrued interest receivable	11,272	88
	<u>\$ 15,862,210</u>	<u>\$ 46,515</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 680,454	\$ -
Intergovernmental payable	872,497	-
Undistributed current and delinquent taxes	8,409,207	-
Trust deposits	354,220	-
Accrued liabilities	202,760	-
Unallocated receipts	5,320,580	-
Fines and Fees due to local municipalities and libraries	22,492	-
	<u>\$ 15,862,210</u>	<u>-</u>
Net Assets		
Held in trust for Epic children		<u>\$ 46,515</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, 2010**

	<b>Private Purpose Trust Fund Epic Heir Trust (7650)</b>
<b>Court transfer</b>	<b>30,821</b>
<b>Investment earnings</b>	<b>251</b>
<b>Total Additions</b>	<b>31,072</b>
<b>Change in Net Assets</b>	<b>31,072</b>
<b>Net Assets - Beginning</b>	<b>15,443</b>
<b>Net Assets - Ending</b>	<b>\$ 46,515</b>

The accompanying notes are an integral part of this statement.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2010

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, 2010

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, 2010

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, 2010

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 enterprise funds:

**2009 Delinquent Tax Revolving** (5169) 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 32% of the operating costs), the Urban Mass Transportation Administration (paying 50% of the operating costs), and the local contributions (paying 18% 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, 2010

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, energy improvements, and insurance and risk management on a cost reimbursement basis.

**Private Purpose 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, 2010

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, 2010

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, 2010

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 \$6,444,104 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. The majority of compensated absences were paid by the General and Community Mental Health funds. 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, 2010

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, 2010

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)	\$677,412
Sobriety Court (1170)	66,950
Emergency Services (1190)	28,003
Marine Safety (1200)	17,723
Park Fund (2080)	170,365
Prosecutor Family Court (2140)	7,662
Safe Schools/Healthy Students (2152)	1,711
Health Department (2210)	35,284
Community Mental Health (2220)	1,331,194
Accommodations Tax (2300)	153,091
CDBG Housing Grant (2470)	1,204
Deed Automation Fund (2560)	1,032,331
TNT Drug (2671)	32,641
Prosecutor Drug (2672)	5,698
Crime Victims' Rights (2800)	1,058
Muskegon Area Stormwater Committee (2823)	21,650
EDC Loan Revolving (2860)	160,532
Rambusch-Fuchs CDBG Grant (2873)	3,549
Mental Health Buildings (2970)	6,871
Victim Restitution (2980)	<u>50,650</u>
	<u>\$3,805,579</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

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

1) Fund Balance Reserves and Designations - continued

Debt Service

Designated for debt service	<u>\$986,532</u>
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Capital Projects

CMH Apple Building (4140)	\$280,860
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Muskegon/Egelston/Dalton Sewer (4641)	181,895
---------------------------------------	---------

Future capital projects (4930) (4960)	4,508,866
---------------------------------------	-----------

Long-term Note Receivable (4930) (4960)	975,000
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Capital improvements designated for drain projects (8010)	<u>430,086</u>
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\$6,376,707

Permanent Funds

Designated for perpetual care (1500) (1550)	<u>\$46,432</u>
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NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2010

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, 2010

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.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

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 February 2010), 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 2010, the county's indirect cost rate was 8.694% 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, 2010

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, 2010, the County had the following investments:

Certificates of Deposit		\$16,520,000
Treasury Notes	Rated AAA matures 10/31/2011	<u>2,000,000</u>
		<u>\$18,520,000</u>

Custodial Credit Risk Related to Deposits

Custodial credit risk related to deposits is the risk that, in the event of a bank failure, the County's deposits might not be recovered. It is the County's policy to reduce custodial credit risk related to deposits by using only pre-qualified financial institutions, broker/dealers, intermediaries and advisors. At September 30, 2010, \$78,912,618 of the County's bank balances of \$80,483,424 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$78,912,618
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NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

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.

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, 2010

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 \$55,104,104 difference are as follows:

Special Assessment bonds	\$31,020,000
General Obligation bonds	6,770,000
Building Authority bonds	10,870,000
Compensated absences	<u>6,444,104</u>
Net adjustment to reduce	
fund balance - total governmental funds to arrive at	
net assets - governmental activities	<u>\$55,104,104</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED

September 30, 2010

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 (\$934,742) difference are as follows:

Capital Outlay	\$14,911,323
Internal Service asset purchases	(7,766,493)
Construction in progress	(4,035,475)
Internal Service depreciation	919,327
Depreciation Expense as presented for Governmental Activities	<u>(3,093,940)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$934,742</u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED  
September 30, 2010

NOTE 6 - CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2010 are summarized as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not depreciable:				
Land	\$4,323,220	\$ -	\$119,610	\$4,203,610
Construction in progress	<u>5,179,608</u>	<u>1,817,722</u>	<u>4,395,024</u>	<u>2,602,306</u>
	<u>9,502,828</u>	<u>1,817,722</u>	<u>4,514,634</u>	<u>6,805,916</u>
Capital assets being depreciated:				
Land Improvements	4,735,785	335,362	14,030	5,057,117
Buildings and Improvements	67,394,896	11,531,444	385,577	78,540,763
Machinery and Equipment	<u>19,157,637</u>	<u>1,226,795</u>	<u>1,637,152</u>	<u>18,747,280</u>
Total assets being depreciated	<u>91,288,318</u>	<u>13,093,601</u>	<u>2,036,759</u>	<u>102,345,160</u>
Less accumulated depreciation for:				
Land Improvements	(1,880,018)	(185,517)	-	(2,065,535)
Buildings and Improvements	(23,525,280)	(1,686,872)	(178,781)	(25,033,371)
Machinery and Equipment	<u>(15,591,926)</u>	<u>(1,221,551)</u>	<u>(1,550,927)</u>	<u>(15,262,550)</u>
Total accumulated depreciation	<u>(40,997,224)</u>	<u>(3,093,940)</u>	<u>(1,729,708)</u>	<u>(42,361,456)</u>
Total capital assets being depreciated, net	<u>50,291,094</u>	<u>9,999,661</u>	<u>307,051</u>	<u>59,983,704</u>
 Governmental activities-capital assets, net	 <u>\$59,793,922</u>	 <u>\$11,817,383</u>	 <u>\$4,821,685</u>	 <u>\$66,789,620</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

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	\$19,886,236	\$0	\$0	\$19,886,236
Construction in progress	<u>42,385,612</u>	<u>5,595</u>	<u>42,357,430</u>	<u>33,777</u>
Total capital assets not being depreciated	<u>62,271,848</u>	<u>5,595</u>	<u>42,357,430</u>	<u>19,920,013</u>
Capital assets being depreciated:				
Land Improvements	40,129,981	145,494	-	40,275,475
Buildings and Improvements	26,995,582	16,398	111,379	26,900,601
Machinery and Equipment	28,978,539	2,052,045	755,061	30,275,523
Lagoons	9,517,671	-	-	9,517,671
W/W collection and distribution	111,491,207	51,218,278	6,925,172	155,784,313
Capitalized interest and engineering	<u>9,062,219</u>	<u>-</u>	<u>-</u>	<u>9,062,219</u>
Total assets being depreciated	<u>226,175,199</u>	<u>53,432,215</u>	<u>7,791,612</u>	<u>271,815,802</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

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	(14,428,919)	(945,678)	-	(15,374,597)
Buildings and Improvements	(12,171,485)	(825,808)	(111,379)	(12,885,914)
Machinery and Equipment	(12,215,886)	(1,444,990)	(728,228)	(12,932,648)
Lagoons	(3,441,408)	(95,307)	-	(3,536,715)
W/W collection and distribution	(50,434,856)	(3,154,628)	(5,747,886)	(47,841,598)
Capitalized interest and engineering	<u>(5,046,025)</u>	<u>(310,670)</u>	<u>-</u>	<u>(5,356,695)</u>
Total accumulated depreciation	<u>(97,738,579)</u>	<u>(6,777,081)</u>	<u>(6,587,493)</u>	<u>(97,928,167)</u>
Total business-type assets being depreciated, net	<u>128,436,620</u>	<u>46,655,134</u>	<u>1,204,119</u>	<u>173,887,635</u>
Business-type activities-capital assets, net	<u>\$190,708,468</u>	<u>\$46,660,729</u>	<u>\$43,561,549</u>	<u>\$193,807,648</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

NOTE 6 - CAPITAL ASSETS - Continued

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

Governmental activities:

Judicial	\$22,451
General County Government	2,409,686
Public Safety	212,668
Health	148,020
Welfare	92,793
Culture	615
Recreation	<u>207,707</u>
Total Depreciation Expense - Governmental activities	<u>\$3,093,940</u>
Business-type Activities	
Airport	757,311
Muskegon Area Transit System	598,350
Northside Water	402,865
Wastewater	4,276,359
Other Enterprise Funds	<u>742,196</u>
Total Depreciation Expense - business-type activities	<u>\$6,777,081</u>

In accordance with the reporting under GASB Statement 42, the County has no impairment of capital assets for the year ended September 30, 2010.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

NOTE 7 - LONG-TERM DEBT

Change in Long-term debt of the county for the year ended September 30, 2010 was as follows:

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2010</u>	<u>Due within one year</u>
<u>Governmental Activities</u>					
Bonds Payable:					
<b>Special Assessment with Governmental commitment</b>					
Fruitport Sewer Bond - Paid off in November 2009 (8715) (Issued \$2,680,000)	\$2,130,000	\$ -	(\$2,130,000)	\$0	
Series II Refunded - payable in increasing annual installments ranging from \$325,000 in 2011 to \$520,000 in 2020 with interest from 2.00% to 3.00% (8718)(Issued \$4,315,000)	4,525,000	4,315,000	(4,525,000)	4,315,000	325,000
Laketon Sewer Bond - payable in increasing installments ranging from \$195,000 in 2010 to \$450,000 in 2028 with interest from 4.00% to 4.625%. (8834) (Issued \$6,000,000)	5,815,000		(195,000)	5,620,000	205,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2010</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 2036 with interest from 4.25% to 5%. (8841) (Issued \$20,580,000)	20,580,000		(380,000)	20,200,000	395,000
Whitehall Township Water Bond - payable in increasing annual installments ranging from \$55,000 in 2010 to \$85,000 in 2021 with interest from 4.0% to 4.3% (8845) (Issued \$995,000)	940,000		(55,000)	885,000	60,000
<b>Building Authority General Obligation Bond:</b>					
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		(955,000)	6,770,000	1,035,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2010</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
<b>Building Authority Limited Tax GO Bonds:</b>					
Muskegon County Mental Health Center Bonds (refunded) - payable in 1 installment of \$175,000 in 2010 with interest at 5.0% (3142) (Issued \$625,000)	175,000		(175,000)	0	
Muskegon County Hall of Justice Bonds-payable in increasing annual installments ranging from \$270,000 in 2010 to \$520,000 in 2022 with interest from 4.45% to 5.0% (3130) (Issued \$6,500,000)	4,990,000		(270,000)	4,720,000	285,000
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>	<u>150,000</u>
Total Bonds Payable	<u>53,030,000</u>	<u>4,315,000</u>	<u>(8,685,000)</u>	<u>48,660,000</u>	<u>2,455,000</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2010</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
Muskegon County Energy Bonds-payable in increasing annual installments ranging from \$285,000 in 2011 to \$600,000 in 2030 with interest at a fixed rate of 6.97% (6350) (Issued \$7,140,000)		7,140,000		7,140,000	
Installment note Payable in 60 monthly installments of \$32,789 plus interest at 5.32% until June 2010 (6660)	552,695		(552,695)	0	
Installment note Payable in 1 annual installment of \$290,956 in November 2009 at 3.10% interest. (6660)	290,956		(290,956)	0	
Sick leave and annual time payable as used or upon retirement or termination. (See Note 1(h) for limitations on payoff)(1010)	<u>6,635,356</u>	<u>5,267,053</u>	<u>(5,458,305)</u>	<u>6,444,104</u>	<u>5,267,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$60,509,007</u>	<u>\$16,722,053</u>	<u>(\$14,986,956)</u>	<u>\$62,244,104</u>	<u>\$7,722,000</u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2010

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2010</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 \$135,000 in 2010 to \$485,000 in 2036 with interest from 4.375% to 5.125%. (5910) (Issued \$7,900,000)	\$7,650,000	\$ -	(\$135,000)	\$7,515,000	\$140,000
Muskegon County Water Supply System Bond - payable in increasing annual installments ranging from \$305,000 in 2010 to \$645,000 in 2028 with interest from 3.25% to 4.625%. (5910) (Issued \$9,215,000)	8,915,000		(305,000)	8,610,000	315,000
Wastewater Bond - payable in annual installments of \$850,000 in 2010 through 2026 with interest from 4.375% to 5.00% (5935) (Issued \$17,000,000)	14,450,000		(850,000)	13,600,000	850,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2010</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 \$765,000 in 2010 to \$1,000,000 in 2028 with interest at 1.625% (5937) (Issued \$17,440,604)	15,940,604		(765,000)	15,175,604	780,000
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$605,000 in 2010 to \$1,015,000 in 2027 with interest at 1.625% (5938) (Issued \$14,000,000)	13,405,000		(605,000)	12,800,000	615,000
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$80,000 in 2010 to \$105,000 in 2026 with interest at 1.625% (5939) (Issued \$1,800,000)	1,565,000		(80,000)	1,485,000	80,000
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$40,000 in 2010 to \$60,000 in 2028 with interest at 2.5% (5940) (Issued \$843,413)	808,413		(40,000)	768,413	40,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2010</u>	<u>Due within one year</u>
<b><u>Business-Type Activities</u> (continued):</b>					
<b>Revenue Bonds (continued):</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 \$14,945,558)	3,477,090	11,468,468	(655,000)	14,290,558	670,000
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 \$15,134,452)	6,237,682	8,896,770	(680,000)	14,454,452	700,000
Wastewater Bond - payable to MMBA in increasing annual installments ranging from \$110,000 in 2011 to \$180,000 in 2030 with interest at 2.5% (5943) (Partially Issued \$843,287)		843,287		843,287	110,000
<b>Building Authority Bonds:</b>					
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>1,030,000</u>	_____	<u>(1,030,000)</u>	<u>0</u>	_____
Total Bonds Payable	<u>73,478,789</u>	<u>21,208,525</u>	<u>(5,145,000)</u>	<u>89,542,314</u>	<u>4,300,000</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2010</u>	<u>Due within one year</u>
<u>Business-Type Activities (continued):</u>					
<b>General Obligation Tax Notes</b>					
2007 - payable in annual installment of \$3,500,000 in 2010 with interest at 4.00% (5167) (Issued \$11,000,000)	3,500,000		(3,500,000)	0	
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)	11,000,000		(7,500,000)	3,500,000	3,500,000
2009 - payable in annual installments of \$7,500,000 in 2011 and \$3,500,000 in 2012 with average interest at 1.2% (5169) (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>14,500,000</u>	<u>11,000,000</u>	<u>(11,000,000)</u>	<u>14,500,000</u>	<u>11,000,000</u>
Total Business-Type Activities long-term liabilities	<u>\$87,978,789</u>	<u>\$32,208,525</u>	<u>(\$16,145,000)</u>	<u>\$104,042,314</u>	<u>\$15,300,000</u>
Total all long-term liabilities	<u>\$148,487,796</u>	<u>\$48,930,578</u>	<u>(\$31,131,956)</u>	<u>\$166,286,418</u>	<u>\$23,022,000</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, 2010

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 (\$26,123,059 at September 30, 2010) 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, to provide energy improvements across most of the County buildings, 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, 2010

NOTE 7 - LONG TERM DEBT - Continued

The total requirement for payment of principal and interest amount to \$166,286,418 and \$60,326,413, respectively, at September 30, 2010 as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$7,722,000	\$2,686,451	\$15,300,000	\$2,764,623
2012	4,072,104	2,466,118	7,885,000	2,509,507
2013	2,915,000	2,390,134	4,470,000	2,374,229
2014	3,535,000	2,962,218	5,085,000	2,739,199
2015	3,135,000	2,136,825	4,660,000	2,093,238
2016-2020	12,750,000	8,861,551	24,328,287	8,445,441
2021-2025	9,505,000	6,262,864	26,655,000	4,755,316
2026-2030	9,875,000	3,731,564	13,074,027	1,300,120
2031-2035	7,430,000	1,308,654	2,100,000	448,256
2036	<u>1,305,000</u>	<u>65,250</u>	<u>485,000</u>	<u>24,856</u>
Total	<u>\$62,244,104</u>	<u>\$32,871,629</u>	<u>\$104,042,314</u>	<u>\$27,454,785</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

NOTE 7 - LONG-TERM DEBT - Continued

Combined schedule of annual principal requirements for bonded debt outstanding at September 30, 2010

<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>Delinquent Tax Notes</u>	
2011	\$985,000	\$1,035,000	\$435,000	\$4,300,000	\$11,000,000	
2012	1,070,000	1,365,000	460,000	4,385,000	3,500,000	
2013	1,120,000	1,310,000	485,000	4,470,000		
2014	1,680,000	1,345,000	510,000	5,085,000		
2015	1,215,000	1,380,000	540,000	4,660,000		\$52,335,000
2016	1,275,000	1,420,000	565,000	4,750,000		
2017	1,330,000	275,000	600,000	4,845,000		

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

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>Delinquent Tax Notes</u>	
2018	1,415,000	290,000	630,000	4,813,287		
2019	1,465,000	300,000	665,000	4,915,000		
2020	1,520,000	300,000	700,000	5,005,000		37,078,287
2021	1,045,000	300,000	735,000	5,110,000		
2022	1,005,000	310,000	775,000	5,220,000		
2023	1,050,000	390,000	265,000	5,325,000		
2024	1,105,000	400,000	280,000	5,445,000		
2025	1,150,000	400,000	295,000	5,555,000		36,160,000
2026	1,210,000	410,000	310,000	5,675,000		
2027	1,265,000	490,000	325,000	4,604,425		

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

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>Delinquent Tax Notes</u>	
2028	1,325,000	500,000	340,000	2,084,602		
2029	920,000	500,000	355,000	345,000		
2030	965,000	590,000	370,000	365,000		22,949,027
2031	1,010,000	600,000	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		
2035	1,235,000			460,000		9,530,000
2036	1,305,000			485,000		
						<u>1,790,000</u>
Total all years	<u>\$31,020,000</u>	<u>\$13,910,000</u>	<u>\$10,870,000</u>	<u>\$89,542,314</u>	<u>\$14,500,000</u>	<u>\$159,842,314</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2010

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>\$986,532</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 13.51 % 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 2010, the County's annual pension cost was \$4,957,129 with the full amount being paid. The required contribution was determined as part of the December 31, 2008 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, 2010

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>
09/30/08	4,486	100%	0
09/30/09	4,623	100%	0
09/30/10	4,957	100%	0

Funding status and funding progress

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						
2009	168,849,136	205,371,215	82%	36,522,079	45,503,711	80%

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 2010, with aggregate minimum monthly rentals of \$1,997. Rental expense under operating leases was \$644,312 for the year ended September 30, 2010.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

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)	\$4,001,031	Co-Op Reimb. Pros. (1150)	\$14,641
Tax Forfeiture Fund (5110)	528	Marine Safety (1200)	90,816
		Highway Safety Programs (1210)	87,698
		Prosecutor Family Court (2140)	5,706
		Family Court (2150)	51,245
		Community Corrections (2640)	46,665
		WIRED (2730)	160,302
		Wagner-Peyser (2731)	42,616
		TAA/NAFTA (2733)	61,348
		Work First (2751)	117,076
		Food Stamp Program (2759)	6,507
		WIA Admin Pool (2760)	181,464
		WIA Adult Program (2761)	99,097
		Summer Youth ARRA (2742)	10,664
		WIA Youth Program (2762)	196,175

County of Muskegon  
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
 September 30, 2010

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

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

Fund	Interfund Receivable	Fund	Interfund Payable
		WIA-Dislocated Wkr Program (2763)	64,749
		WIA Youth Statewide (2766)	1,741
		WIA Service Center Operations (2767)	5,477
		Incumbent Worker Statewide (2768)	9,911
		WIA SWA ARRA (2771)	4,401
		WIA ARRA Welfare (2772)	1,865
		WIA ARRA Admin (2778)	53,649
		Wagner Peyser ECAR-ARRA (2781)	784
		Reemployment ARRA (2782)	7,897
		Wagner Peyser RCAR-ARRA (2783)	21,227
		WIA-SAG ARRA (2784)	22,500
		Crime Victim's Rights (2800)	41,078
		Remonumentation (2890)	43,480
		Brookhaven (2900)	1,446,498
		Child Care Facility (2920)	238,961
		Veterans Trust (2940)	19,248
		Laketon Township Sewer (4634)	712,414
		Delinquent Tax Revolving Fund (5100)	133,131
		Land Bank (5500)	528
	<u>\$4,001,559</u>		<u>\$4,001,559</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

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

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

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General (1010)	\$5,230,563	\$11,242,142
Co-Op Reimb.-Pros. (1150)	109,592	
Emergency Services (1190)	161,915	
Marine Safety (1200)	44,077	
Sheriff Road Patrol (1210)	34,543	
Township Patrols (1240)	108,260	
Park Fund (2080)		26,606
Prosecutor Family Court (2140)	148,460	
Family Court (2150)	2,093,276	
Health Department (2210)	2,028,315	
Community Mental Health (2220)	724,968	750,000
Accommodations Tax (2300)		130,629
Deeds Automation Fund (2560)		20,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

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)	22,949	
Community Corrections (2640)	292,463	
Crime Victim's Rights (2800)	3,859	
Revenue Sharing Reserve (2850)		3,156,498
Remonumentation Prog. (2890)	4,218	
Brookhaven (2900)	484,218	
Social Services (2910)	11,042	
Child Care Facility (2920)	3,703,797	
Hall of Justice (3130)	502,329	
Hall of Justice (4130)	626,375	
Public Improvement (4930)		640,871
Drain Project (8010)	<u>52,996</u>	
Subtotal Governmental	<u>16,388,215</u>	<u>15,966,746</u>
Fairgrounds Operation (5083)		239,394
Delinquent Tax Revolving (5100)		50,000
Tax Forfeitures (5110)		50,000
Delinquent Tax Revolving (5167)		9,361,611

County of Muskegon  
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
 September 30, 2010

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 (5168)	9,385,645	2,156,822
Solid Waste (5710)	26,606	
Muskegon County Airport (5810)	861,024	
Muskegon Co. Airport capital contributions (5810)	14,496	
Sheriff Garage (6345)	159,193	
Energy Improvements (6350)	239,394	
Equipment Revolving Fund (6660)	<u>750,000</u>	<u>-</u>
	<u>11,436,358</u>	<u>11,857,827</u>
Total all funds	<u>\$27,824,573</u>	<u>\$27,824,573</u>

The transfers are primarily from the General fund and delinquent tax revolving fund to support Federal and State grant programs, and from the revenue sharing reserve to the General Fund in accordance with the State of Michigan property tax acceleration initiative.

c) Excess of expenditures over budget in individual funds

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
Emergency Services (1190)	\$213,197	\$487,265
Safe Schools/Healthy Schools (2152)	\$67,428	\$67,928
Health Department (2210)	8,648,662	9,267,315
TNT Drug (2671)	5,093	6,822
TAA/NAFTA (2733)	1,523,971	2,586,531
WIA Admin Pool (2760)	168,437	298,628

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

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)	3,750	5,102
Incumbent Worker Statewide (2768)	20,000	83,485
WIA - NEG (2775)	2,426,698	2,460,567
WIA ARRA Admin (2778)	164,299	218,689
EDC Loan Revolving (2860)	39,336	52,346
Mental Health Buildings (2970)	313,517	335,887
Victim Restitution (2980)	5,000	6,723
Quality of Life (3111)	1,188,945	1,188,947
Hall of Justice Debt (3130)	502,118	502,937

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, 2010

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 (5168)	199,415	
Muskegon County Airport (5810)		\$999,999
Drain Revolving (6010)		21,500
Equipment Revolving (6660)		567,118
Insurance (6770)	<u>800,584</u>	
	<u>\$1,888,617</u>	<u>\$1,888,617</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, 2010

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, 2010

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - continued

Annual OPEB Cost

For 2010, the County's annual OPEB cost was \$6,502,590 with the full amount being paid. The required contribution was determined as part of the December 31, 2007 actuarial valuation, using the entry age 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 26 years. The amortization period is closed. The net OPEB obligation for 2010 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>
09/30/08	7,584	100%	0
09/30/09	6,818	100%	0
09/30/10	6,502	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. The plan is currently under review.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2010

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

Funding status and funding progress

The funded status of the plan 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. The actuarial of 2009 for the 2010 year is currently in process.

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2010

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 an 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, 2010 is 26 years.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

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, 2010 was \$4,114,466. The claim's liability of \$5,000,686 reported in the fund at September 30, 2010, 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 2009 and 2010 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>
2009	4,796,270	17,047,519	(16,921,215)	4,922,574
2010	4,922,574	16,310,855	(16,232,743)	5,000,686

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

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 \$9.2 million reported as landfill closure and post-closure care liability at September 30, 2010 represents the cumulative amount reported to date based on the use of 55 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 11 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$14.0 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 2010. 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
2010	\$7,416,122	\$1,829,592	\$9,245,714

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, 2010. 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, 2010

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 \$3,640,169 and the bank balance was \$3,890,169. Of the bank balance, \$250,000 was covered by federal depository insurance and \$3,640,169 was exposed to custodial credit risk as it was uninsured and uncollateralized.

County of Muskegon  
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
 September 30, 2010

NOTE 15 - DISCRETE ENTITY NOTES - Continued

c) Capital Assets

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

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
Capital Assets not being depreciated				
Land	\$23,612,348	\$536,043	\$ -	\$24,148,391
Construction in progress	<u>90,420</u>	<u>-</u>	<u>90,420</u>	<u>0</u>
	<u>\$23,702,768</u>	<u>\$536,043</u>	<u>90,420</u>	<u>\$24,148,391</u>
Capital Assets being depreciated				
Land improvements	49,540	-	-	49,540
Buildings and improvements	4,769,247	-	-	4,769,247
Road equipment	9,704,747	1,206,160	624,785	10,286,122
Other equipment	2,911,426	43,783	5,050	2,950,159
Infrastructure and improvements	<u>64,398,584</u>	<u>2,992,815</u>	<u>3,474,931</u>	<u>63,916,468</u>
Total capital assets depreciated	81,833,544	4,242,758	4,104,766	81,971,536
Less accumulated depreciation for:				
Land improvements	-	(30,624)	-	(30,624)
Buildings and improvements	(2,601,187)	(123,358)	-	(2,724,545)
Road equipment	(8,448,607)	(771,262)	(624,785)	(8,595,084)
Other equipment	(1,663,473)	(124,501)	(5,008)	(1,782,966)
Infrastructure and improvements	<u>(28,414,801)</u>	<u>(2,893,000)</u>	<u>(3,474,931)</u>	<u>(27,832,870)</u>
Total accumulated depreciation	<u>(41,128,068)</u>	<u>(3,942,745)</u>	<u>(4,104,724)</u>	<u>(40,966,089)</u>
Total capital assets, being depreciated, net	<u>40,705,476</u>	<u>300,013</u>	<u>42</u>	<u>41,005,447</u>
Capital Assets, net	<u>\$64,408,244</u>	<u>\$836,056</u>	<u>\$90,462</u>	<u>\$65,153,838</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

NOTE 15 - DISCRETE ENTITY NOTES - Continued

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

Primary road	\$2,693,343
Local Road	1,065,047
State Trunkline	139,064
Administrative	<u>45,291</u>
Total Depreciation expense	<u>\$3,942,745</u>

(e) LONG-TERM DEBT

Long-term debt consisted of the following as of September 30, 2010:

\$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).	\$800,000
Capital Leases	93,025
Long Term Compensated Absences	<u>367,246</u>
Total governmental activities long-term liabilities	<u>\$1,260,271</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

NOTE 15 - DISCRETE ENTITY NOTES - Continued

A summary of bonds and loans and long-term compensated absences transactions for the year ended September 30, 2010 follows:

Balance at beginning of year	\$1,494,479
Additions	457,592
Deductions	<u>(691,800)</u>
Balance at end of year	<u>\$1,260,271</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 :	\$2,753,281
Adjustments	
Construction in progress reduction in 2010	4,395,024
Adjustment for Governmental funds transferred to Internal Service	(3,475)
Internal Service fund purchases	<u>7,766,493</u>
Net Assets capitalized	<u>\$14,911,323</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2010

NOTE 17 - CURRENT BOND REFUNDING

During fiscal year 2010, the County refunded \$4,525,000 of 2001 special assessment with governmental commitment bonds to provide resources to call the bonds with an additional payment made from funds on hand of \$37,000. 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 \$4,315,000 were issued at a net interest cost of 2.47% with an annual savings of \$399,413 with an economic present value savings of \$363,761.

NOTE 18 - SUBSEQUENT EVENT

In December 2010 the County refunded a building authority bond in the amount of \$4,685,000 for the Hall of Justice renovation.

## 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, 2010

	General Fund - 1010				Community Mental Health - 2220			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>								
Taxes	\$ 26,815,148	\$ 26,179,141	\$ 26,367,644	\$ 188,503	\$ -	\$ -	\$ -	\$ -
Licenses and permits	25,525	37,025	38,034	1,009	-	-	-	-
Operating grants and contributions	2,441,126	2,334,925	2,234,485	(100,440)	6,341,390	6,906,728	6,076,935	(829,793)
Charges for services	8,054,934	7,672,929	7,598,661	(74,268)	71,743,615	72,473,640	71,071,302	(1,402,338)
Fines and forfeitures	608,500	590,000	579,504	(10,496)	-	-	-	-
Investment income	357,457	216,100	202,089	(14,011)	110,600	35,300	29,372	(5,928)
Rentals	149,905	147,681	144,693	(2,988)	-	-	-	-
Contributions from private sources	-	-	-	-	1,932,751	1,765,245	2,033,900	268,655
Other	1,114,194	1,052,775	1,101,482	48,707	151,900	151,900	88,410	(63,490)
<b>Total revenues</b>	<b>39,566,789</b>	<b>38,230,576</b>	<b>38,266,592</b>	<b>36,016</b>	<b>80,280,256</b>	<b>81,332,813</b>	<b>79,299,919</b>	<b>(2,032,894)</b>
<b>Expenditures</b>								
<b>Current operations</b>								
Legislative	477,567	468,540	443,638	24,902	-	-	-	-
Judicial	7,502,732	7,286,807	7,132,449	154,358	-	-	-	-
General County government	14,162,975	13,065,541	12,609,624	455,917	-	-	-	-
Public safety	11,642,474	11,419,705	11,327,173	92,532	-	-	-	-
Health	-	-	-	-	80,954,389	82,111,130	79,888,578	2,222,552
Welfare	-	-	-	-	-	-	-	-
Culture	175,244	152,359	151,867	492	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	-	498,354	555,975	(57,621)	-	-	-	-
Capital outlay	14,000	84,265	29,113	55,152	62,000	62,000	76,447	(14,447)
<b>Total expenditures</b>	<b>33,974,992</b>	<b>32,975,571</b>	<b>32,249,839</b>	<b>725,732</b>	<b>81,016,389</b>	<b>82,173,130</b>	<b>79,965,025</b>	<b>2,208,105</b>
<b>Revenues over (under) expenditures</b>	<b>5,591,797</b>	<b>5,255,005</b>	<b>6,016,753</b>	<b>761,748</b>	<b>(736,133)</b>	<b>(840,317)</b>	<b>(665,106)</b>	<b>175,211</b>
<b>Other financing sources (uses)</b>								
Sales of capital assets	-	-	-	-	11,200	11,200	19,625	8,425
Transfers in	5,822,006	5,928,998	5,230,563	(698,435)	724,933	724,933	724,968	35
Transfers (out)	(11,413,803)	(11,184,003)	(11,242,142)	(58,139)	-	(750,000)	(750,000)	-
	(5,591,797)	(5,255,005)	(6,011,579)	(756,574)	736,133	(13,867)	(5,407)	8,460
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>5,174</b>	<b>5,174</b>	<b>-</b>	<b>(854,184)</b>	<b>(670,513)</b>	<b>183,671</b>
<b>Fund balance at beginning of year</b>	<b>9,180,895</b>	<b>9,180,895</b>	<b>9,180,895</b>	<b>-</b>	<b>2,001,707</b>	<b>2,001,707</b>	<b>2,001,707</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 9,180,895</b>	<b>\$ 9,180,895</b>	<b>\$ 9,186,069</b>	<b>\$ 5,174</b>	<b>\$ 2,001,707</b>	<b>\$ 1,147,523</b>	<b>\$ 1,331,194</b>	<b>\$ 183,671</b>

## **Required Supplementary Information** - continued

*County of Muskegon*

*September 30, 2010*

### **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 is the same as 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 1.05% from the original budget.

Interest rates decreased by about 225%. This caused an decrease in expected revenue of \$141,000

Overall, revenues were short from original expectations by \$1,300,000.

## **Required Supplementary Information - continued**

*County of Muskegon*

*September 30, 2010*

### **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 3.19% which amounted to \$796,000.
- Industrial facilities taxes were up \$122,000 due to a large settlement.
- State reimbursement for prisoners dropped \$329,000 due to a change in the formula.
- District Court collections were down \$164,000.
- Register of deeds income has increase by \$73,000 due to home sales leveling off.

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, 2010*

*Pension Fund*

Actuarial Valuation Date	Actual Asset Value	Entry Age Actuarial Accrued Liability	UnderFunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UnderFunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll Payroll
12/31/07	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 %
12/31/09	168,849,136	205,371,215	36,522,079	82.2%	45,503,711	80 %

*Postemployment Benefits*

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

*County of Muskegon  
Muskegon Area Transit System (5880)  
SCHEDULE OF FINANCIAL ASSISTANCE  
FEDERAL AND STATE  
Year Ended September 30, 2010*

<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>	<u>Expenditures</u>	<u>Amount Remaining</u>
<u>U.S. Dept. of Transportation</u>								
Direct Assistance								
Capital Assistance	20.507	04-0026	1,216,714	-	-	-	-	1,216,714
Capital Assistance	20.507	03-0228	485,888	173,578	-	-	-	312,310
Capital Assistance	20.507	90-0365	1,689,142	1,275,082	112,321	-	112,321	301,739
Capital Assistance	20.507	90-0388	1,707,054	1,427,542	-	-	-	279,512
Capital Assistance	20.507	90-0407	1,968,161	1,688,961	-	-	-	279,200
Capital Assistance	20.507	90-0443	1,688,826	1,608,826	13,119	-	13,119	66,881
Capital Assistance	20.507	90-0497	1,508,469	1,374,487	52,263	-	52,263	81,719
Capital Assistance	20.507	90-0558	1,456,745	1,364,074	20,865	-	20,865	71,806
Capital Assistance	20.507	90-0581	625,152	562,299	62,853	-	62,853	-
Capital Assistance	20.507	90-0596	915,774	-	874,073	-	874,073	41,701
Capital Assistance	20.507	90-0624	1,535,560	-	-	-	-	1,535,560
Capital Assistance	20.507	95-0043	162,000	-	132,534	-	132,534	29,466
Capital Assistance	20.507	95-0055	411,822	-	-	-	-	411,822
Capital Assistance ARRA	20.507	96-0010	2,043,050	327,092	300,000	-	300,000	1,415,958
<u>Michigan Dept. of Transportation</u>								
Capital Assistance	20.507	02-0072Z11	209,000	189,000	-	3,279	3,279	16,721
Capital Assistance	20.507	07-0264Z14	40,000	-	-	33,134	33,134	6,866
Total Capital Assistance			\$ 17,663,357	\$ 9,990,941	\$ 1,568,028	\$ 36,413	\$ 1,604,441	\$ 6,067,975

*County of Muskegon  
Muskegon Area Transit System (5880)  
SCHEDULE OF FINANCIAL ASSISTANCE  
FEDERAL AND STATE (continued)  
Year Ended September 30, 2010*

<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>	<u>Expenditures</u>	<u>Amount Remaining</u>
<b>U.S. Dept. of Transportation</b>								
<b>State and Federal Operating Assist. Computations based on Operating Expenses (included in above totals)</b>								
	20.507	90-0558	\$ 1,116,745	\$ 1,116,745	\$ -	\$ -	\$ -	\$ -
	20.507	90-0581	625,152	562,299	62,853	-	62,853	-
	20.507	90-0596	915,774	-	874,073	-	874,073	41,701
<b>Michigan Dept. of Transportation</b>								
Operating Assist. - Act 51		N/A	709,232	-	-	709,232	709,232	-
Capital Assistance	20.507	2007-0264/Z14	33,134	-	-	-	33,134	-
Capital Assistance	20.507	2002-0072/Z11	3,279	-	36,199	-	3,279	(32,920)
Specialized Services		2007-0264Z15	65,499	-	-	65,499	65,499	-
<b>Total Operating Assistance</b>			<b>\$ 3,468,815</b>	<b>\$ 1,679,044</b>	<b>\$ 973,125</b>	<b>\$ 774,731</b>	<b>\$ 1,748,070</b>	<b>\$ 8,781</b>

**RECONCILIATION TO AUDITED FINANCIAL STATEMENTS**

Capital Assistance as above	1,568,028	36,413	1,604,441
Less Capitalized	(152,659)	(36,413)	(189,072)
MDOT Operating Assistance as above		774,731	774,731
Local Operating Grants			132,167
<b>Operating Subsidies</b>			<b>2,322,267</b>
<b>Operating Assist. - Act 51 Prior Years</b>			<b>51,664</b>
<b>CAFR page 39</b>			<b>\$ 2,373,931</b>

## County of Muskegon

### Schedule of Expenditures by Department - Budget and Actual - General Fund

Year Ended September 30, 2010

	Original Budget	Final Budget	Actual	Difference (+/-)
101 Board of Commissioners	\$ 477,567	\$ 468,540	\$ 443,638	\$ 24,902
131 Circuit Court	1,378,494	1,328,534	1,259,304	69,230
132 Circuit Court Collections	60,822	53,592	49,756	3,836
136 District Court	3,612,811	3,503,837	3,423,124	80,713
137 Probation Cobo Hall Tax	184,928	172,055	174,431	(2,376)
138 District Court Collections	267,556	257,338	255,296	2,042
145 Jury Commission	27,030	24,384	29,980	(5,596)
148 Probate Court	782,364	780,595	782,755	(2,160)
151 State Probation	69,662	60,455	60,188	267
164 Public Defender	1,114,458	1,099,503	1,092,284	7,219
171 Administration	1,017,953	796,423	793,164	3,259
191 Elections	194,973	184,630	159,158	25,472
201 Accounting	647,134	592,598	561,112	31,486
210 Corporate Counsel	146,820	97,660	96,580	1,080
215 County Clerk	417,034	432,604	431,838	766
216 Circuit Court Records	605,492	441,954	455,536	(13,582)
225 Equalization	1,887,409	1,767,235	1,739,475	27,760
226 Human Resources	405,573	347,117	314,645	32,472
227 City of Muskegon	96,996	86,377	85,335	1,042
229 Prosecutor	2,333,296	2,241,339	2,237,019	4,320
233 Purchasing	220,364	213,304	209,783	3,521
236 Register of Deeds	714,902	641,344	625,881	15,463
241 Johnny O. Harris Building	4,731	3,812	3,818	(6)
242 Training Center	65,988	47,233	45,083	2,150
243 Youth Services Building	-	7,325	6,087	1,238

# County of Muskegon

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

Year Ended September 30, 2010

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Difference (+/-)</b>
247 Central Services Building	\$ 33,200	\$ 2,510	\$ 2,919	(\$ 409)
248 Stark Hall	22,915	12,023	13,234	(1,211)
252 Transfers	1,428,600	1,386,006	1,285,400	100,606
253 Treasurer	817,398	724,381	739,921	(15,540)
260 Shady Grove Cemetery	4,029	2,618	1,573	1,045
263 Cordova Site O&M	2,759	1,914	1,564	350
265 Courthouse and Grounds	975,364	945,049	903,354	41,695
266 Facility Security Services	94,525	95,745	86,809	8,936
268 Oak Ave. Building	134,805	135,381	125,287	10,094
271 County Jail Building	475,111	423,204	388,892	34,312
273 Heritage Landing O&M	126,392	103,207	85,038	18,169
275 Drain Commissioner	310,014	285,000	263,981	21,019
284 Plat Board	916	916	-	916
297 Vehicle Pool	30,226	22,222	23,525	(1,303)
301 Sheriff Operations	3,712,892	3,633,702	3,687,040	(53,338)
305 Sheriff Administration	463,674	459,993	460,671	(678)
320 Officer Training Act 302	12,000	12,000	7,052	4,948
350 Correction Officer Training	63,565	75,497	73,009	2,488
351 Sheriff Jail	5,642,422	5,975,664	5,904,123	71,541
355 Courtroom Security	1,195,464	1,230,104	1,124,234	105,870
650 State Institutions	188,714	188,714	90,940	97,774
731 MSU Extension	175,244	152,359	151,867	492
941 Misc Contingency	440,468	586,647	640,145	(53,498)
959 Information Systems	<u>889,938</u>	<u>870,927</u>	<u>853,991</u>	<u>16,936</u>
Totals	<u>\$ 33,974,992</u>	<u>\$ 32,975,571</u>	<u>\$ 32,249,839</u>	<u>\$ 725,732</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.

Comm. Capacity Building-ARRA (2676)--to account for Federal pass-through monies used to help communities severely affected by the economic downturn by partnering with non-profit organizations to address broad economic recovery issues in the community.

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.

Summer Youth-A.R.R.A.(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.

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.

Workforce Investment Act-SWA ARRA (2771) – to account for Federal pass-through funds to provide training and support to individuals from Muskegon Heights in the field of Energy Conservation Apprenticeship Readiness.

Workforce Investment Act-SWA (2772) – to account for Federal pass-through funds to assist the general population in preparing for and acquiring National Career Readiness Certificates.

Wagner Peyser (2773) – to account for Federal pass-through funds to assist the general population in preparing for and acquiring National Career Readiness Certificates.

Employment Services (2774) – to account for Federal pass-through funds to assist the general population in preparing for and acquiring National Career Readiness Certificates.

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.

Wagner-Peyser ECAR ARRA (2781) - to account for Federal pass-through funds to provide training and support to individuals from Muskegon Heights in the field of Energy Conservation Apprenticeship Readiness.

Reemployment ARRA (2782) - to account for monies for recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge and skills. Employment services for the general public within One-Stop centers. Also includes a small portion of funds used to support case management services provided to TAA eligible customers.

Wagner-Peyser RCAR ARRA (2783) - to account for Federal pass-through funds to provide training and support to individuals from the Cities of Muskegon and Muskegon Heights in the field of Road Construction Apprenticeship Readiness.

Workforce Investment Act SAG ARRA (2784) - 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.

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.

Byrne Tech Grant (2833) -to account for Federal pass-through monies received from the State by the County of Muskegon for the purpose of technology enhancements for courtroom use.

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.

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, 2010

**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	\$ -	\$ 31,064	\$ 23,504	\$ -	\$ -	\$ 10,761
Investments	-	12,081	9,141	-	-	4,185
Receivables						
Accounts	-	1,120	-	-	-	29,140
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	30,041	68,498	-	116,177	97,351	-
Accrued Interest	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 30,041</u>	<u>\$ 112,763</u>	<u>\$ 32,645</u>	<u>\$ 116,177</u>	<u>\$ 97,351</u>	<u>\$ 44,086</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 337	\$ 38,973	\$ 2,440	\$ 869	\$ 423	\$ -
Intergovernmental payable	-	-	-	-	-	-
Accrued liabilities	15,063	6,840	2,202	6,769	9,230	9,121
Due to other funds	14,641	-	-	90,816	87,698	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	34,965
	<u>30,041</u>	<u>45,813</u>	<u>4,642</u>	<u>98,454</u>	<u>97,351</u>	<u>44,086</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	66,950	28,003	17,723	-	-
Undesignated	-	-	-	-	-	-
	<u>-</u>	<u>66,950</u>	<u>28,003</u>	<u>17,723</u>	<u>-</u>	<u>-</u>
	<u>\$ 30,041</u>	<u>\$ 112,763</u>	<u>\$ 32,645</u>	<u>\$ 116,177</u>	<u>\$ 97,351</u>	<u>\$ 44,086</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

**SPECIAL REVENUE**

	Park Fund (2080)	Prosecutor Family Court (2140)	Family Court (2150)	Safe Schools/ Healthy Students (2152)	Health Department (2210)	Accommodations Tax (2300)
<b>ASSETS</b>						
Cash and cash equivalents	\$ 142,291	\$ -	\$ -	\$ 4,105	\$ 593,852	\$ 59,320
Investments	55,335	-	-	1,597	230,942	23,069
Receivables						
Accounts	-	-	3,522	-	145,312	90,269
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	-	22,661	257,596	-	75,731	-
Accrued Interest	115	-	-	-	64	31
Prepaid Items	-	-	-	-	19,385	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 197,741</u>	<u>\$ 22,661</u>	<u>\$ 261,118</u>	<u>\$ 5,702</u>	<u>\$ 1,065,286</u>	<u>\$ 172,689</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 11,421	\$ -	\$ 15,134	\$ -	\$ 487,572	\$ 11,080
Intergovernmental payable	-	-	-	-	224,921	-
Accrued liabilities	15,955	9,293	194,739	3,991	310,509	8,518
Due to other funds	-	5,706	51,245	-	-	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	7,000	-
	<u>27,376</u>	<u>14,999</u>	<u>261,118</u>	<u>3,991</u>	<u>1,030,002</u>	<u>19,598</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	170,365	7,662	-	1,711	35,284	153,091
Undesignated	-	-	-	-	-	-
	<u>170,365</u>	<u>7,662</u>	<u>-</u>	<u>1,711</u>	<u>35,284</u>	<u>153,091</u>
	<u>\$ 197,741</u>	<u>\$ 22,661</u>	<u>\$ 261,118</u>	<u>\$ 5,702</u>	<u>\$ 1,065,286</u>	<u>\$ 172,689</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

**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	\$ 867	\$ 742,200	\$ 2,300,000	\$ -	\$ -	\$ 24,783
Investments	337	288,633	-	-	-	9,638
Receivables						
Accounts	-	500	-	-	35	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	-	-	-	-	74,756	-
Accrued Interest	-	1,977	-	-	-	68
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 1,204</u>	<u>\$ 1,033,310</u>	<u>\$ 2,300,000</u>	<u>\$ -</u>	<u>\$ 74,791</u>	<u>\$ 34,489</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ -	\$ 979	\$ -	\$ -	\$ 5,336	\$ 1,848
Intergovernmental payable	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	22,790	-
Due to other funds	-	-	-	-	46,665	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>-</u>	<u>979</u>	<u>-</u>	<u>-</u>	<u>74,791</u>	<u>1,848</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	1,204	1,032,331	-	-	-	32,641
Undesignated	-	-	2,300,000	-	-	-
	<u>1,204</u>	<u>1,032,331</u>	<u>2,300,000</u>	<u>-</u>	<u>-</u>	<u>32,641</u>
	<u>\$ 1,204</u>	<u>\$ 1,033,310</u>	<u>\$ 2,300,000</u>	<u>\$ -</u>	<u>\$ 74,791</u>	<u>\$ 34,489</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

**SPECIAL REVENUE**

	Prosecutor Drug (2672)	JAG - ARRA (2675)	Comm. Capacity Building - ARRA (2676)	WIRED (2730)	Wagner Peyser (2731)	TAA/NAFTA (2733)
<b>ASSETS</b>						
Cash and cash equivalents	\$ 8,203	\$ 12,957	\$ 555	\$ -	\$ -	\$ -
Investments	3,190	5,039	216	-	-	-
Receivables						
Accounts	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	-	-	10,644	160,302	101,234	1,085,776
Accrued Interest	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 11,393</u>	<u>\$ 17,996</u>	<u>\$ 11,415</u>	<u>\$ 160,302</u>	<u>\$ 101,234</u>	<u>\$ 1,085,776</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 5,695	\$ -	\$ 11,205	\$ -	\$ 58,603	\$ 1,024,428
Intergovernmental payable	-	17,966	-	-	-	-
Accrued liabilities	-	30	210	-	15	-
Due to other funds	-	-	-	160,302	42,616	61,348
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>5,695</u>	<u>17,996</u>	<u>11,415</u>	<u>160,302</u>	<u>101,234</u>	<u>1,085,776</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	5,698	-	-	-	-	-
Undesignated	-	-	-	-	-	-
	<u>5,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,393</u>	<u>\$ 17,996</u>	<u>\$ 11,415</u>	<u>\$ 160,302</u>	<u>\$ 101,234</u>	<u>\$ 1,085,776</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

**SPECIAL REVENUE**

	Michigan Prisoner Re-entry (2734)	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	-	10,836	889,823	6,967	240,613	317,615
Accrued Interest	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 10,836</u>	<u>\$ 889,823</u>	<u>\$ 6,967</u>	<u>\$ 240,613</u>	<u>\$ 317,615</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ -	\$ 172	\$ 772,747	\$ -	\$ 18,464	\$ 218,518
Intergovernmental payable	-	-	-	-	-	-
Accrued liabilities	-	-	-	460	40,685	-
Due to other funds	-	10,664	117,076	6,507	181,464	99,097
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>-</u>	<u>10,836</u>	<u>889,823</u>	<u>6,967</u>	<u>240,613</u>	<u>317,615</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 10,836</u>	<u>\$ 889,823</u>	<u>\$ 6,967</u>	<u>\$ 240,613</u>	<u>\$ 317,615</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

**SPECIAL REVENUE**

	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)	Strategic Planning (2765)	WIA Youth Statewide (2766)	WIA Service Center Operations (2767)	Incumbent Worker Statewide (2768)
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 23,481	\$ -	\$ -	\$ -
Investments	-	-	9,131	-	-	-
Receivables						
Accounts	-	435	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	385,695	301,638	-	1,741	12,046	67,064
Accrued Interest	-	-	61	-	-	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 385,695</u>	<u>\$ 302,073</u>	<u>\$ 32,673</u>	<u>\$ 1,741</u>	<u>\$ 12,046</u>	<u>\$ 67,064</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 181,952	\$ 237,324	\$ -	\$ -	\$ 6,569	\$ 56,910
Intergovernmental payable	-	-	32,673	-	-	-
Accrued liabilities	7,568	-	-	-	-	243
Due to other funds	196,175	64,749	-	1,741	5,477	9,911
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>385,695</u>	<u>302,073</u>	<u>32,673</u>	<u>1,741</u>	<u>12,046</u>	<u>67,064</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
	<u>\$ 385,695</u>	<u>\$ 302,073</u>	<u>\$ 32,673</u>	<u>\$ 1,741</u>	<u>\$ 12,046</u>	<u>\$ 67,064</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

**SPECIAL REVENUE**

	WIA SWA TANF Replacement (2770)	WIA SWA ARRA (2771)	WIA SWA Welfare (2772)	Wagner Peyser (2773)	Employment Svc (2774)	WIA-NEG (2775)
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,164	\$ -	\$ -	\$ 555	\$ 1,401	\$ 94,164
Investments	452	-	-	216	545	36,620
Receivables						
Accounts	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	4,453	4,401	19,392	(138)	629	1,558,348
Accrued Interest	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 6,069</u>	<u>\$ 4,401</u>	<u>\$ 19,392</u>	<u>\$ 633</u>	<u>\$ 2,575</u>	<u>\$ 1,689,132</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 6,069	\$ -	\$ 17,527	\$ 633	\$ 2,575	\$ 1,689,062
Intergovernmental payable	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	70
Due to other funds	-	4,401	1,865	-	-	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>6,069</u>	<u>4,401</u>	<u>19,392</u>	<u>633</u>	<u>2,575</u>	<u>1,689,132</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
	<u>\$ 6,069</u>	<u>\$ 4,401</u>	<u>\$ 19,392</u>	<u>\$ 633</u>	<u>\$ 2,575</u>	<u>\$ 1,689,132</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

	SPECIAL REVENUE					
	WIA ARRA Adult (2776)	WIA ARRA Dislocated Wkr (2777)	WIA ARRA Admin (2778)	Wagner Peyser ECAR-ARRA (2781)	Reemployment ARRA (2782)	Wagner Peyser RCAR-ARRA (2783)
<b>ASSETS</b>						
Cash and cash equivalents	\$ 21,167	\$ 63,553	\$ -	\$ -	\$ -	\$ -
Investments	8,232	24,715	-	-	-	-
Receivables						
Accounts	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	-	92,308	54,449	791	25,930	21,254
Accrued Interest	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 29,399</u>	<u>\$ 180,576</u>	<u>\$ 54,449</u>	<u>\$ 791</u>	<u>\$ 25,930</u>	<u>\$ 21,254</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 29,399	\$ 180,576	\$ 7	\$ -	\$ 18,033	\$ 27
Intergovernmental payable	-	-	-	-	-	-
Accrued liabilities	-	-	793	7	-	-
Due to other funds	-	-	53,649	784	7,897	21,227
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>29,399</u>	<u>180,576</u>	<u>54,449</u>	<u>791</u>	<u>25,930</u>	<u>21,254</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
	<u>\$ 29,399</u>	<u>\$ 180,576</u>	<u>\$ 54,449</u>	<u>\$ 791</u>	<u>\$ 25,930</u>	<u>\$ 21,254</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

	<b>SPECIAL REVENUE</b>					
	WIA-SAG ARRA (2784)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Community Gun Violence (2832)	Byrne Tech Grant (2833)	Revenue Sharing Reserve (2850)
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 15,588	\$ 468	\$ 295	\$ 394,114
Investments	-	-	6,062	182	115	153,267
Receivables						
Accounts	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	320,800	54,259	-	249	14,400	-
Accrued Interest	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 320,800</u>	<u>\$ 54,259</u>	<u>\$ 21,650</u>	<u>\$ 899</u>	<u>\$ 14,810</u>	<u>\$ 547,381</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 298,270	\$ 1,290	\$ -	\$ -	\$ 14,810	\$ -
Intergovernmental payable	-	-	-	899	-	-
Accrued liabilities	30	10,833	-	-	-	-
Due to other funds	22,500	41,078	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>320,800</u>	<u>53,201</u>	<u>-</u>	<u>899</u>	<u>14,810</u>	<u>-</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	1,058	21,650	-	-	-
Undesignated	-	-	-	-	-	547,381
	<u>-</u>	<u>1,058</u>	<u>21,650</u>	<u>-</u>	<u>-</u>	<u>547,381</u>
	<u>\$ 320,800</u>	<u>\$ 54,259</u>	<u>\$ 21,650</u>	<u>\$ 899</u>	<u>\$ 14,810</u>	<u>\$ 547,381</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

	<b>SPECIAL REVENUE</b>					
	EDC Loan Revolving (2860)	Rambusch-Fuchs CDBG Grant (2873)	Downtown Redevelopment Project (2876)	Remonumen- tation Program (2890)	Brookhaven (2900)	Social Welfare (2910)
<b>ASSETS</b>						
Cash and cash equivalents	\$ 66,169	\$ 3,549	\$ -	\$ -	\$ -	\$ 12,237
Investments	953	-	-	-	-	4,759
Receivables						
Accounts	93,197	-	-	-	2,242,986	20,000
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	-	-	-	43,480	86,635	136,779
Accrued Interest	213	-	-	-	-	-
Prepaid Items	-	-	-	-	26,707	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	118,169	-
	<u>\$ 160,532</u>	<u>\$ 3,549</u>	<u>\$ -</u>	<u>\$ 43,480</u>	<u>\$ 2,474,497</u>	<u>\$ 173,775</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 362,365	\$ 37,775
Intergovernmental payable	-	-	-	-	29,327	136,000
Accrued liabilities	-	-	-	-	636,307	-
Due to other funds	-	-	-	43,480	1,446,498	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,480</u>	<u>2,474,497</u>	<u>173,775</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	160,532	3,549	-	-	-	-
Undesignated	-	-	-	-	-	-
	<u>160,532</u>	<u>3,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 160,532</u>	<u>\$ 3,549</u>	<u>\$ -</u>	<u>\$ 43,480</u>	<u>\$ 2,474,497</u>	<u>\$ 173,775</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

	<b>SPECIAL REVENUE</b>				<b>DEBT SERVICE</b>	
	Child Care Facility (2920)	Veteran's Trust (2940)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 9,946	\$ 36,399	\$ 230,463	\$ 67,478
Investments	-	-	3,868	14,155	89,625	26,242
Receivables						
Accounts	1,856	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	557,538	22,222	-	-	-	-
Accrued Interest	-	-	-	96	1,984	-
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 559,394</u>	<u>\$ 22,222</u>	<u>\$ 13,814</u>	<u>\$ 50,650</u>	<u>\$ 322,072</u>	<u>\$ 93,720</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 182,660	\$ 2,974	\$ 4,323	\$ -	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-
Accrued liabilities	137,773	-	2,620	-	17,494	93,720
Due to other funds	238,961	19,248	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>559,394</u>	<u>22,222</u>	<u>6,943</u>	<u>-</u>	<u>17,494</u>	<u>93,720</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	-	-	6,871	50,650	304,578	-
Undesignated	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>6,871</u>	<u>50,650</u>	<u>304,578</u>	<u>-</u>
	<u>\$ 559,394</u>	<u>\$ 22,222</u>	<u>\$ 13,814</u>	<u>\$ 50,650</u>	<u>\$ 322,072</u>	<u>\$ 93,720</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

	DEBT SERVICE		CAPITAL PROJECTS			
	CMH Building (3140)	Halmond Center Debt (3142)	Hall of Justice (4130)	CMH Apple Building (4140)	Laketon Township Sewer (4634)	Muskegon/ Egelston/Dalton Sewer (4641)
<b>ASSETS</b>						
Cash and cash equivalents	\$ 106,890	\$ -	\$ 1,758	\$ 201,702	\$ -	\$ 130,720
Investments	41,569	-	684	78,439	-	50,835
Receivables						
Accounts	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-
Intergovernmental	-	-	-	-	735,747	-
Accrued Interest	153	-	-	719	-	340
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 148,612</u>	<u>\$ -</u>	<u>\$ 2,442</u>	<u>\$ 280,860</u>	<u>\$ 735,747</u>	<u>\$ 181,895</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ -	\$ -	\$ 2,442	\$ -	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-
Accrued liabilities	147,008	-	-	-	23,333	-
Due to other funds	-	-	-	-	712,414	-
Long-term advance from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>147,008</u>	<u>-</u>	<u>2,442</u>	<u>-</u>	<u>735,747</u>	<u>-</u>
Fund balance (deficit)						
Reserved for long-term note receivable	-	-	-	-	-	-
Unreserved						
Designated for programs	1,604	-	-	280,860	-	181,895
Undesignated	-	-	-	-	-	-
	<u>1,604</u>	<u>-</u>	<u>-</u>	<u>280,860</u>	<u>-</u>	<u>181,895</u>
	<u>\$ 148,612</u>	<u>\$ -</u>	<u>\$ 2,442</u>	<u>\$ 280,860</u>	<u>\$ 735,747</u>	<u>\$ 181,895</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

	CAPITAL PROJECTS				PERMANENT FUNDS	
	Public Improvement (4930)	Capital Improvement (4960)	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,507,950	\$ 26,808	\$ 14,400	\$ 305,806	\$ 26,762	\$ 7,446
Investments	-	10,426	5,600	118,924	10,408	2,895
Receivables						
Accounts	-	-	-	-	-	-
Assessments receivable-deferred	-	-	1,500	6,653	-	-
Intergovernmental	-	-	-	-	-	-
Accrued Interest	9,034	-	-	724	-	21
Prepaid Items	-	-	-	-	-	-
Long-term Note receivable	675,000	300,000	-	-	-	-
Inventory of Supplies	-	-	-	-	-	-
	<u>\$ 5,191,984</u>	<u>\$ 337,234</u>	<u>\$ 21,500</u>	<u>\$ 432,107</u>	<u>\$ 37,170</u>	<u>\$ 10,362</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ 45,352	\$ -	\$ -	\$ -	\$ -	\$ 1,100
Intergovernmental payable	-	-	-	-	-	-
Accrued liabilities	-	-	-	2,021	-	-
Due to other funds	-	-	-	-	-	-
Long-term advance from other funds	-	-	21,500	-	-	-
Deferred revenue	-	-	-	-	-	-
	<u>45,352</u>	<u>-</u>	<u>21,500</u>	<u>2,021</u>	<u>-</u>	<u>1,100</u>
Fund balance (deficit)						
Reserved for long-term note receivable	675,000	300,000	-	-	-	-
Unreserved						
Designated for programs	4,471,632	37,234	-	430,086	37,170	9,262
Undesignated	-	-	-	-	-	-
	<u>5,146,632</u>	<u>337,234</u>	<u>-</u>	<u>430,086</u>	<u>37,170</u>	<u>9,262</u>
	<u>\$ 5,191,984</u>	<u>\$ 337,234</u>	<u>\$ 21,500</u>	<u>\$ 432,107</u>	<u>\$ 37,170</u>	<u>\$ 10,362</u>

**County of Muskegon**

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year ended September 30, 2010

	<u>Total All Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$10,326,897
Investments	1,342,320
Receivables	
Accounts	2,628,372
Assessments receivable-deferred	8,153
Intergovernmental	8,088,731
Accrued Interest	15,600
Prepaid Items	46,092
Long-term Note receivable	975,000
Inventory of Supplies	118,169
	<u>\$ 23,549,334</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Accounts Payable	\$ 6,066,268
Intergovernmental payable	441,786
Accrued liabilities	1,736,240
Due to other funds	3,867,900
Long-term advance from other funds	21,500
Deferred revenue	41,965
	<u>12,175,659</u>
Fund balance (deficit)	
Reserved for long-term note receivable	975,000
Unreserved	
Designated for programs	7,551,294
Undesignated	2,847,381
	<u>11,373,675</u>
	<u>\$ 23,549,334</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year ended September 30, 2010

	<b>SPECIAL REVENUE</b>					
	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	\$ -	\$ 91,400	\$ -	\$ 137,771	\$ 179,670	\$ -
Federal	-	178,847	-	-	-	-
Federal pass-thru	213,468	-	323,345	-	76,952	-
Local Units	-	-	-	-	-	108,260
Charges for services rendered	-	93,196	-	336	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	6,887	-	-	-
	<u>213,468</u>	<u>363,443</u>	<u>330,232</u>	<u>138,107</u>	<u>256,622</u>	<u>108,260</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	321,409	-	-	-	-
General County government	323,060	-	-	-	-	-
Public Safety	-	-	295,872	165,814	291,165	216,520
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	191,393	16,370	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>323,060</u>	<u>321,409</u>	<u>487,265</u>	<u>182,184</u>	<u>291,165</u>	<u>216,520</u>
Revenues over (under) expenditures	(109,592)	42,034	(157,033)	(44,077)	(34,543)	(108,260)
<b>Other financing sources (uses)</b>						
Transfers in	109,592	-	161,915	44,077	34,543	108,260
Sale of Assets	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>109,592</u>	<u>-</u>	<u>161,915</u>	<u>44,077</u>	<u>34,543</u>	<u>108,260</u>
Net change in fund balances	-	42,034	4,882	-	-	-
Fund balance at beginning of year	-	24,916	23,121	17,723	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 66,950</u>	<u>\$ 28,003</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, 2010

	<b>SPECIAL REVENUE</b>					
	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	\$ -	\$ 57,039	\$ 6,514	\$ -	\$ 1,082,294	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	-	-	1,974,615	-	3,393,016	-
Local Units	-	-	-	-	6,200	-
Charges for services rendered	667,152	-	303,645	67,928	2,073,512	-
Taxes	-	-	-	-	272,758	842,439
Contributions from private sources	-	-	-	-	7,330	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	249	-	-	-	810	181
Rentals	-	-	-	-	-	-
Other	480	-	57,246	-	332,116	-
	<u>667,881</u>	<u>57,039</u>	<u>2,342,020</u>	<u>67,928</u>	<u>7,168,036</u>	<u>842,620</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	1,139,062	-	-	-
General County government	-	197,837	3,283,843	67,928	-	558,900
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	9,257,520	-
Welfare	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	589,805	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	12,391	-	9,795	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>589,805</u>	<u>197,837</u>	<u>4,435,296</u>	<u>67,928</u>	<u>9,267,315</u>	<u>558,900</u>
Revenues over (under) expenditures	78,076	(140,798)	(2,093,276)	-	(2,099,279)	283,720
<b>Other financing sources (uses)</b>						
Transfers in	-	148,460	2,093,276	-	2,028,315	-
Sale of Assets	3,150	-	-	-	-	-
Transfers (out)	(26,606)	-	-	-	-	(130,629)
Total other financing sources (uses)	<u>(23,456)</u>	<u>148,460</u>	<u>2,093,276</u>	<u>-</u>	<u>2,028,315</u>	<u>(130,629)</u>
Net change in fund balances	54,620	7,662	-	-	(70,964)	153,091
Fund balance at beginning of year	115,745	-	-	1,711	106,248	-
Fund balance at end of year	<u>\$ 170,365</u>	<u>\$ 7,662</u>	<u>\$ -</u>	<u>\$ 1,711</u>	<u>\$ 35,284</u>	<u>\$ 153,091</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
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Nonmajor Governmental Funds  
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	<b>SPECIAL REVENUE</b>					
	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	\$ -	\$ -	\$ -	\$ -	\$ 155,564	\$ -
Federal	-	-	-	-	65,575	-
Federal pass-thru	128,437	-	-	-	-	-
Local Units	-	-	-	-	-	-
Charges for services rendered	-	161,775	-	313	14,011	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	1,500
Fines and forfeiture	-	-	-	6,500	-	-
Investment Income	-	6,554	-	-	-	229
Rentals	-	-	-	-	-	-
Other	387	-	-	-	51,040	-
	<u>128,824</u>	<u>168,329</u>	<u>-</u>	<u>6,813</u>	<u>286,190</u>	<u>1,729</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	29,762	-	-
General County government	-	124,746	-	-	-	-
Public Safety	-	-	-	-	578,653	4,974
Health	-	-	-	-	-	-
Welfare	131,162	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	1,848
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>131,162</u>	<u>124,746</u>	<u>-</u>	<u>29,762</u>	<u>578,653</u>	<u>6,822</u>
Revenues over (under) expenditures	(2,338)	43,583	-	(22,949)	(292,463)	(5,093)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	22,949	292,463	-
Sale of Assets	-	-	-	-	-	-
Transfers (out)	-	(20,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>22,949</u>	<u>292,463</u>	<u>-</u>
Net change in fund balances	(2,338)	23,583	-	-	-	(5,093)
Fund balance at beginning of year	<u>3,542</u>	<u>1,008,748</u>	<u>2,300,000</u>	<u>-</u>	<u>-</u>	<u>37,734</u>
Fund balance at end of year	<u>\$ 1,204</u>	<u>\$ 1,032,331</u>	<u>\$ 2,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,641</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
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	<b>SPECIAL REVENUE</b>					
	<b>Prosecutor Drug (2672)</b>	<b>JAG - ARRA (2675)</b>	<b>Comm. Capacity Building - ARRA (2676)</b>	<b>WIRED (2730)</b>	<b>Wagner Peyser (2731)</b>	<b>TAA/NAFTA (2733)</b>
<b>Revenues</b>						
<b>Grants</b>						
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	198,021	86,831	-	-	-
Federal pass-thru	-	-	-	195	360,772	2,586,531
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	1,200	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>1,200</u>	<u>198,021</u>	<u>86,831</u>	<u>195</u>	<u>360,772</u>	<u>2,586,531</u>
<b>Expenditures</b>						
<b>Current Operations</b>						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public Safety	7,186	198,021	-	-	-	-
Health	-	-	86,831	-	-	-
Welfare	-	-	-	195	360,772	2,586,531
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	1,642	-	-	-	-	-
<b>Debt Service</b>						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>8,828</u>	<u>198,021</u>	<u>86,831</u>	<u>195</u>	<u>360,772</u>	<u>2,586,531</u>
Revenues over (under) expenditures	(7,628)	-	-	-	-	-
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
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	(7,628)	-	-	-	-	-
Fund balance at beginning of year	13,326	-	-	-	-	-
Fund balance at end of year	<u>\$ 5,698</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
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	<b>SPECIAL REVENUE</b>					
	Michigan Prisoner Re-entry (2734)	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	\$ 136,823	\$ -	\$ 367,496	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	-	183,272	2,420,856	12,468	298,628	917,819
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	185	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>136,823</u>	<u>183,272</u>	<u>2,788,537</u>	<u>12,468</u>	<u>298,628</u>	<u>917,819</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	136,823	183,272	2,788,537	12,468	292,686	917,819
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	5,942	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>136,823</u>	<u>183,272</u>	<u>2,788,537</u>	<u>12,468</u>	<u>298,628</u>	<u>917,819</u>
Revenues over (under) expenditures	-	-	-	-	-	-
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
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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For the Year ended September 30, 2010

	<b>SPECIAL REVENUE</b>					
	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)	Strategic Planning (2765)	WIA Youth Statewide (2766)	WIA Service Center Operations (2767)	Incumbent Worker Statewide (2768)
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	873,712	1,025,801	-	5,102	74,477	83,485
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	201	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>873,712</u>	<u>1,025,801</u>	<u>201</u>	<u>5,102</u>	<u>74,477</u>	<u>83,485</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	873,712	1,025,801	201	5,102	74,477	83,485
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>873,712</u>	<u>1,025,801</u>	<u>201</u>	<u>5,102</u>	<u>74,477</u>	<u>83,485</u>
Revenues over (under) expenditures	-	-	-	-	-	-
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
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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For the Year ended September 30, 2010

	<b>SPECIAL REVENUE</b>					
	WIA SWA TANF Replacement (2770)	WIA SWA ARRA (2771)	WIA SWA Welfare (2772)	Wagner Peysen (2773)	Employment Svc (2774)	WIA-NEG (2775)
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	246,137	150,175	19,392	3,785	6,077	2,460,567
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>246,137</u>	<u>150,175</u>	<u>19,392</u>	<u>3,785</u>	<u>6,077</u>	<u>2,460,567</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	246,137	150,175	19,392	3,785	6,077	2,460,567
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>246,137</u>	<u>150,175</u>	<u>19,392</u>	<u>3,785</u>	<u>6,077</u>	<u>2,460,567</u>
Revenues over (under) expenditures	-	-	-	-	-	-
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
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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	<b>SPECIAL REVENUE</b>					
	WIA ARRA Adult (2776)	WIA ARRA Dislocated Wkr (2777)	WIA ARRA Admin (2778)	Wagner Peysen ECAR-ARRA (2781)	Reemployment ARRA (2782)	Wagner Peysen RCAR-ARRA (2783)
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,558
Federal	-	-	-	-	-	-
Federal pass-thru	280,009	490,242	218,689	791	234,210	86,474
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>280,009</u>	<u>490,242</u>	<u>218,689</u>	<u>791</u>	<u>234,210</u>	<u>95,032</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	280,009	490,242	218,689	791	234,210	95,032
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>280,009</u>	<u>490,242</u>	<u>218,689</u>	<u>791</u>	<u>234,210</u>	<u>95,032</u>
Revenues over (under) expenditures	-	-	-	-	-	-
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
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>

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	<b>SPECIAL REVENUE</b>					<b>Revenue Sharing Reserve (2850)</b>
	<b>WIA SAG ARRA (2784)</b>	<b>Crime Victims' Rights (2800)</b>	<b>Muskegon Area Stormwater Committee (2823)</b>	<b>Community Gun Violence (2832)</b>	<b>Byrne Tech Grant (2833)</b>	
<b>Revenues</b>						
<b>Grants</b>						
State	\$ -	\$ 165,689	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	542,173	67,036	-	1,754	14,400	-
Local Units	-	-	34,571	-	-	-
Charges for services rendered	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	625	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>542,173</u>	<u>233,350</u>	<u>34,571</u>	<u>1,754</u>	<u>14,400</u>	<u>-</u>
<b>Expenditures</b>						
<b>Current Operations</b>						
Judicial	-	-	-	1,754	11,750	-
General County government	-	-	34,938	-	-	-
Public Safety	-	237,266	-	-	-	-
Health	-	-	-	-	-	-
Welfare	542,173	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	2,650	-
<b>Debt Service</b>						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>542,173</u>	<u>237,266</u>	<u>34,938</u>	<u>1,754</u>	<u>14,400</u>	<u>-</u>
Revenues over (under) expenditures	-	(3,916)	(367)	-	-	-
<b>Other financing sources (uses)</b>						
Transfers in	-	3,859	-	-	-	-
Sale of Assets	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(3,156,498)
Total other financing sources (uses)	<u>-</u>	<u>3,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,156,498)</u>
Net change in fund balances	-	(57)	(367)	-	-	(3,156,498)
Fund balance at beginning of year	-	1,115	22,017	-	-	3,703,879
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,058</u>	<u>\$ 21,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 547,381</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
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	<b>SPECIAL REVENUE</b>					
	EDC Loan Revolving (2860)	Rambusch-Fuchs CDBG Grant (2873)	Downtown Redevelopment Project (2876)	Remonumen- tation Program (2890)	Brookhaven (2900)	Social Welfare (2910)
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ -	\$ 70,227	\$ -	\$ 967,667
Federal	-	-	-	-	-	-
Federal pass-thru	-	-	217,123	-	-	-
Local Units	-	-	-	-	-	-
Charges for services rendered	50	-	-	-	12,905,022	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	2,663	-	-	-	657	-
Rentals	-	-	-	-	15,753	-
Other	-	-	-	-	1,939,661	49,146
	<u>2,713</u>	<u>-</u>	<u>217,123</u>	<u>70,227</u>	<u>14,861,093</u>	<u>1,016,813</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	52,346	-	217,123	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	15,345,311	1,027,855
Welfare	-	-	-	-	-	-
Culture	-	-	-	74,445	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>52,346</u>	<u>-</u>	<u>217,123</u>	<u>74,445</u>	<u>15,345,311</u>	<u>1,027,855</u>
Revenues over (under) expenditures	(49,633)	-	-	(4,218)	(484,218)	(11,042)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	4,218	484,218	11,042
Sale of Assets	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,218</u>	<u>484,218</u>	<u>11,042</u>
Net change in fund balances	(49,633)	-	-	-	-	-
Fund balance at beginning of year	210,165	3,549	-	-	-	-
Fund balance at end of year	<u>\$ 160,532</u>	<u>\$ 3,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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	<b>SPECIAL REVENUE</b>				<b>DEBT SERVICE</b>	
	Child Care Facility (2920)	Veteran's Trust (2940)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)
<b>Revenues</b>						
Grants						
State	\$ 3,359,329	\$ 25,329	\$ -	\$ -	\$ -	\$ -
Federal	37,490	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	-	4,566	-	-
Taxes	-	-	-	-	1,409,655	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	-	-	-	316	4,909	-
Rentals	-	-	340,820	-	-	-
Other	262,365	-	-	-	-	-
	<u>3,659,184</u>	<u>25,329</u>	<u>340,820</u>	<u>4,882</u>	<u>1,414,564</u>	<u>-</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	6,723	-	461
Public Safety	-	-	-	-	-	-
Health	7,354,097	-	335,887	-	-	-
Welfare	-	25,329	-	-	-	-
Culture	-	-	-	-	138,520	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	8,884	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	955,000	270,000
Interest	-	-	-	-	95,427	232,476
	<u>7,362,981</u>	<u>25,329</u>	<u>335,887</u>	<u>6,723</u>	<u>1,188,947</u>	<u>502,937</u>
Revenues over (under) expenditures	(3,703,797)	-	4,933	(1,841)	225,617	(502,937)
<b>Other financing sources (uses)</b>						
Transfers in	3,703,797	-	-	-	-	502,329
Sale of Assets	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>3,703,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>502,329</u>
Net change in fund balances	-	-	4,933	(1,841)	225,617	(608)
Fund balance at beginning of year	-	-	1,938	52,491	78,961	608
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,871</u>	<u>\$ 50,650</u>	<u>\$ 304,578</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, 2010

	DEBT SERVICE		CAPITAL PROJECTS			Muskegon/ Egelston/Dalton Sewer (4641)
	CMH Building (3140)	Halmond Center Debt (3142)	Hall of Justice (4130)	CMH Apple Building (4140)	Laketon Township Sewer (4634)	
<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	496	213	-	4,486	224	1,117
Rentals	360,694	179,293	-	-	-	-
Other	-	-	-	-	735,747	-
	<u>361,190</u>	<u>179,506</u>	<u>-</u>	<u>4,486</u>	<u>735,971</u>	<u>1,117</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	836	462	-	-	1,000,745	375
Welfare	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	626,375	1,725,972	-	-
Debt Service						
Principal	-	175,000	-	-	-	-
Interest	358,750	5,128	-	-	-	-
	<u>359,586</u>	<u>180,590</u>	<u>626,375</u>	<u>1,725,972</u>	<u>1,000,745</u>	<u>375</u>
Revenues over (under) expenditures	1,604	(1,084)	(626,375)	(1,721,486)	(264,774)	742
<b>Other financing sources (uses)</b>						
Transfers in	-	-	626,375	-	-	-
Sale of Assets	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>626,375</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,604	(1,084)	-	(1,721,486)	(264,774)	742
Fund balance at beginning of year	-	1,084	-	2,002,346	264,774	181,153
Fund balance at end of year	<u>\$ 1,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 280,860</u>	<u>\$ -</u>	<u>\$ 181,895</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year ended September 30, 2010

	CAPITAL PROJECTS				PERMANENT FUNDS	
	Public Improvement (4930)	Capital Improvement (4960)	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-
Local Units	-	-	-	-	-	-
Charges for services rendered	-	-	-	35,823	-	-
Taxes	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-
Investment Income	28,111	-	-	2,512	939	63
Rentals	12,500	-	-	-	-	11,880
Other	-	-	-	-	-	-
	<u>40,611</u>	<u>-</u>	<u>-</u>	<u>38,335</u>	<u>939</u>	<u>11,943</u>
<b>Expenditures</b>						
Current Operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	488	13,148
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	98,470	214	-	88,653	-	-
Capital Outlay	44,459	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>142,929</u>	<u>214</u>	<u>-</u>	<u>88,653</u>	<u>488</u>	<u>13,148</u>
Revenues over (under) expenditures	(102,318)	(214)	-	(50,318)	451	(1,205)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	52,996	-	-
Sale of Assets	-	-	-	-	-	-
Transfers (out)	(640,871)	-	-	-	-	-
Total other financing sources (uses)	<u>(640,871)</u>	<u>-</u>	<u>-</u>	<u>52,996</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(743,189)	(214)	-	2,678	451	(1,205)
Fund balance at beginning of year	<u>5,889,821</u>	<u>337,448</u>	<u>-</u>	<u>427,408</u>	<u>36,719</u>	<u>10,467</u>
Fund balance at end of year	<u>\$ 5,146,632</u>	<u>\$ 337,234</u>	<u>\$ -</u>	<u>\$ 430,086</u>	<u>\$ 37,170</u>	<u>\$ 9,262</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year ended September 30, 2010

	<u>Total All Funds</u>
<b>Revenues</b>	
<b>Grants</b>	
State	\$ 6,811,370
Federal	566,764
Federal pass-thru	19,991,985
Local Units	149,031
Charges for services rendered	16,327,329
Taxes	2,524,852
Contributions from private sources	9,455
Fines and forfeiture	7,700
Investment Income	55,115
Rentals	920,940
Other	3,435,075
	<u>50,799,616</u>
<b>Expenditures</b>	
<b>Current Operations</b>	
Judicial	1,503,737
General County government	4,881,541
Public Safety	1,995,471
Health	34,409,919
Welfare	14,245,651
Culture	212,965
Recreation	589,805
Other	187,337
Capital Outlay	2,647,721
Debt Service	
Principal	1,400,000
Interest	691,781
	<u>62,765,928</u>
Revenues over (under) expenditures	(11,966,312)
<b>Other financing sources (uses)</b>	
Transfers in	10,432,684
Sale of Assets	3,150
Transfers (out)	(3,974,604)
Total other financing sources (uses)	<u>6,461,230</u>
Net change in fund balances	(5,505,082)
Fund balance at beginning of year	16,878,757
Fund balance at end of year	<u>\$ 11,373,675</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, 2010**

	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	\$ -	\$ -	\$ -	\$ 91,400	\$ 91,400	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	250,344	178,847	(71,497)	-	-	-
Federal pass-thru	220,651	213,468	(7,183)	-	-	-	23,287	323,345	300,058
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	82,000	93,196	11,196	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	15,000	6,887	(8,113)
	<u>220,651</u>	<u>213,468</u>	<u>(7,183)</u>	<u>423,744</u>	<u>363,443</u>	<u>(60,301)</u>	<u>38,287</u>	<u>330,232</u>	<u>291,945</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	448,659	321,409	127,250	-	-	-
General County government	334,319	323,060	11,259	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	213,197	295,872	(82,675)
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	-	-	-	-	-	-	-	191,393	(191,393)
	<u>334,319</u>	<u>323,060</u>	<u>11,259</u>	<u>448,659</u>	<u>321,409</u>	<u>127,250</u>	<u>213,197</u>	<u>487,265</u>	<u>(274,068)</u>
<b>Revenues over (under) expenditures</b>	<b>(113,668)</b>	<b>(109,592)</b>	<b>4,076</b>	<b>(24,915)</b>	<b>42,034</b>	<b>66,949</b>	<b>(174,910)</b>	<b>(157,033)</b>	<b>17,877</b>
<b>Other financing sources (uses)</b>									
Transfers in	113,668	109,592	(4,076)	-	-	-	178,957	161,915	(17,042)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>113,668</b>	<b>109,592</b>	<b>(4,076)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178,957</b>	<b>161,915</b>	<b>(17,042)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,915)</b>	<b>42,034</b>	<b>66,949</b>	<b>4,047</b>	<b>4,882</b>	<b>835</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,916</b>	<b>24,916</b>	<b>-</b>	<b>23,121</b>	<b>23,121</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 66,950</b>	<b>\$ 66,949</b>	<b>\$ 27,168</b>	<b>\$ 28,003</b>	<b>\$ 835</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, 2010**

	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	\$ 143,919	\$ 137,771	(\$ 6,148)	\$ 179,670	\$ 179,670	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	83,969	76,952	(7,017)	-	-	-
Local units	-	-	-	-	-	-	108,894	108,260	(634)
Charges for services rendered	-	336	336	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>143,919</u>	<u>138,107</u>	<u>(5,812)</u>	<u>263,639</u>	<u>256,622</u>	<u>(7,017)</u>	<u>108,894</u>	<u>108,260</u>	<u>(634)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	167,707	165,814	1,893	301,480	291,165	10,315	217,789	216,520	1,269
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	18,000	16,370	1,630	-	-	-	-	-	-
	<u>185,707</u>	<u>182,184</u>	<u>3,523</u>	<u>301,480</u>	<u>291,165</u>	<u>10,315</u>	<u>217,789</u>	<u>216,520</u>	<u>1,269</u>
<b>Revenues over (under) expenditures</b>	<b>(41,788)</b>	<b>(44,077)</b>	<b>(2,289)</b>	<b>(37,841)</b>	<b>(34,543)</b>	<b>3,298</b>	<b>(108,895)</b>	<b>(108,260)</b>	<b>635</b>
<b>Other financing sources (uses)</b>									
Transfers in	41,788	44,077	2,289	37,841	34,543	(3,298)	108,895	108,260	(635)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>41,788</u>	<u>44,077</u>	<u>2,289</u>	<u>37,841</u>	<u>34,543</u>	<u>(3,298)</u>	<u>108,895</u>	<u>108,260</u>	<u>(635)</u>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<u>17,723</u>	<u>17,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 17,723</u>	<u>\$ 17,723</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, 2010**

	Park Fund (2080)			Prosecutor Family Court (2140)			Family Court (2150)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ 71,904	\$ 57,039	(\$ 14,865)	\$ 4,607	\$ 6,514	\$ 1,907
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	2,228,607	1,974,615	(253,992)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	669,000	667,152	(1,848)	-	-	-	294,750	303,645	8,895
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	387	249	(138)	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	480	480	-	-	-	64,000	57,246	(6,754)
	<u>669,387</u>	<u>667,881</u>	<u>(1,506)</u>	<u>71,904</u>	<u>57,039</u>	<u>(14,865)</u>	<u>2,591,964</u>	<u>2,342,020</u>	<u>(249,944)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	1,218,199	1,139,062	79,137
General County government	-	-	-	198,393	197,837	556	3,340,645	3,283,843	56,802
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	623,353	589,805	33,548	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	2,500	-	2,500	-	-	-	-	12,391	(12,391)
	<u>625,853</u>	<u>589,805</u>	<u>36,048</u>	<u>198,393</u>	<u>197,837</u>	<u>556</u>	<u>4,558,844</u>	<u>4,435,296</u>	<u>123,548</u>
<b>Revenues over (under) expenditures</b>	<b>43,534</b>	<b>78,076</b>	<b>34,542</b>	<b>(126,489)</b>	<b>(140,798)</b>	<b>(14,309)</b>	<b>(1,966,880)</b>	<b>(2,093,276)</b>	<b>(126,396)</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	126,489	148,460	21,971	1,966,880	2,093,276	126,396
Sale of Assets	3,100	3,150	50	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	(30,000)	(26,606)	3,394	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(26,900)</b>	<b>(23,456)</b>	<b>3,444</b>	<b>126,489</b>	<b>148,460</b>	<b>21,971</b>	<b>1,966,880</b>	<b>2,093,276</b>	<b>126,396</b>
<b>Net change in fund balances</b>	<b>16,634</b>	<b>54,620</b>	<b>37,986</b>	<b>-</b>	<b>7,662</b>	<b>7,662</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>115,745</b>	<b>115,745</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 132,379</b>	<b>\$ 170,365</b>	<b>\$ 37,986</b>	<b>\$ -</b>	<b>\$ 7,662</b>	<b>\$ 7,662</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, 2010**

	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	\$ -	\$ -	\$ -	\$ 3,749,116	\$ 1,082,294	(\$ 2,666,822)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	3,393,016	3,393,016	-	-	-
Local units	-	-	-	6,200	6,200	-	-	-	-
Charges for services rendered	67,428	67,928	500	2,144,190	2,073,512	(70,678)	-	-	-
Contributions from private sources	-	-	-	5,876	7,330	1,454	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	100	810	710	100	181	81
Taxes	-	-	-	285,904	272,758	(13,146)	750,000	842,439	92,439
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	354,094	332,116	(21,978)	-	-	-
	<u>67,428</u>	<u>67,928</u>	<u>500</u>	<u>6,545,480</u>	<u>7,168,036</u>	<u>622,556</u>	<u>750,100</u>	<u>842,620</u>	<u>92,520</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	67,428	67,928	(500)	-	-	-	579,716	558,900	20,816
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	8,637,230	9,257,520	(620,290)	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	11,432	9,795	1,637	-	-	-
	<u>67,428</u>	<u>67,928</u>	<u>(500)</u>	<u>8,648,662</u>	<u>9,267,315</u>	<u>(618,653)</u>	<u>579,716</u>	<u>558,900</u>	<u>20,816</u>
Revenues over (under) expenditures	-	-	-	(2,103,182)	(2,099,279)	3,903	170,384	283,720	113,336
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	2,036,732	2,028,315	(8,417)	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	(130,629)	(130,629)	-
Total other financing sources (uses)	-	-	-	<u>2,036,732</u>	<u>2,028,315</u>	<u>(8,417)</u>	<u>(130,629)</u>	<u>(130,629)</u>	<u>-</u>
Net change in fund balances	-	-	-	(66,450)	(70,964)	(4,514)	39,755	153,091	113,336
Fund balance at beginning of year	1,711	1,711	-	106,248	106,248	-	-	-	-
Fund balance at end of year	<u>\$ 1,711</u>	<u>\$ 1,711</u>	<u>\$ -</u>	<u>\$ 39,798</u>	<u>\$ 35,284</u>	<u>(\$ 4,514)</u>	<u>\$ 39,755</u>	<u>\$ 153,091</u>	<u>\$ 113,336</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, 2010**

	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	150,000	128,437	(21,563)	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	170,000	161,775	(8,225)	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	7,000	6,554	(446)	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	1,500	387	(1,113)	-	-	-	-	-	-
	<u>151,500</u>	<u>128,824</u>	<u>(22,676)</u>	<u>177,000</u>	<u>168,329</u>	<u>(8,671)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	176,948	124,746	52,202	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	151,500	131,162	20,338	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	-	-	-	151,000	-	151,000	-	-	-
	<u>151,500</u>	<u>131,162</u>	<u>20,338</u>	<u>327,948</u>	<u>124,746</u>	<u>203,202</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	-	(2,338)	(2,338)	(150,948)	43,583	194,531	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(20,000)	(20,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	-	(2,338)	(2,338)	(170,948)	23,583	194,531	-	-	-
<b>Fund balance at beginning of year</b>	3,542	3,542	-	1,008,748	1,008,748	-	2,300,000	2,300,000	-
<b>Fund balance at end of year</b>	<u>\$ 3,542</u>	<u>\$ 1,204</u>	<u>(\$ 2,338)</u>	<u>\$ 837,800</u>	<u>\$ 1,032,331</u>	<u>\$ 194,531</u>	<u>\$ 2,300,000</u>	<u>\$ 2,300,000</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, 2010**

	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	\$ -	\$ -	\$ -	\$ 228,455	\$ 155,564	(\$ 72,891)	\$ -	\$ -	\$ -
Federal	-	-	-	66,036	65,575	(461)	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	400	313	(87)	15,000	14,011	(989)	-	-	-
Contributions from private sources	-	-	-	-	-	-	1,500	1,500	-
Fines and forfeitures	6,500	6,500	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	200	229	29
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	54,080	51,040	(3,040)	-	-	-
	<u>6,900</u>	<u>6,813</u>	<u>(87)</u>	<u>363,571</u>	<u>286,190</u>	<u>(77,381)</u>	<u>1,700</u>	<u>1,729</u>	<u>29</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	35,451	29,762	5,689	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	659,015	578,653	80,362	5,093	4,974	119
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	1,848	(1,848)
	<u>35,451</u>	<u>29,762</u>	<u>5,689</u>	<u>659,015</u>	<u>578,653</u>	<u>80,362</u>	<u>5,093</u>	<u>6,822</u>	<u>(1,729)</u>
<b>Revenues over (under) expenditures</b>	<b>(28,551)</b>	<b>(22,949)</b>	<b>5,602</b>	<b>(295,444)</b>	<b>(292,463)</b>	<b>2,981</b>	<b>(3,393)</b>	<b>(5,093)</b>	<b>(1,700)</b>
<b>Other financing sources (uses)</b>									
Transfers in	28,551	22,949	(5,602)	295,444	292,463	(2,981)	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>28,551</u>	<u>22,949</u>	<u>(5,602)</u>	<u>295,444</u>	<u>292,463</u>	<u>(2,981)</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>(3,393)</b>	<b>(5,093)</b>	<b>(1,700)</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,734</b>	<b>37,734</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34,341</b>	<b>\$ 32,641</b>	<b>(\$ 1,700)</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, 2010**

	Prosecutor Drug (2672)			JAG - ARRA (2675)			Comm. Capacity Building - ARRA (2676)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	431,974	198,021	(233,953)	-	86,831	86,831
Federal pass-thru	-	-	-	-	-	-	250,000	-	(250,000)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	1,200	1,200	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>1,200</u>	<u>1,200</u>	<u>431,974</u>	<u>198,021</u>	<u>(233,953)</u>	<u>250,000</u>	<u>86,831</u>	<u>(163,169)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	6,646	7,186	(540)	431,974	198,021	233,953	-	-	-
Health	-	-	-	-	-	-	250,000	86,831	163,169
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	6,680	1,642	5,038	-	-	-	-	-	-
	<u>13,326</u>	<u>8,828</u>	<u>4,498</u>	<u>431,974</u>	<u>198,021</u>	<u>233,953</u>	<u>250,000</u>	<u>86,831</u>	<u>163,169</u>
<b>Revenues over (under) expenditures</b>	<b>(13,326)</b>	<b>(7,628)</b>	<b>5,698</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(13,326)</b>	<b>(7,628)</b>	<b>5,698</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>13,326</b>	<b>13,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ 5,698</b>	<b>\$ 5,698</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, 2010**

	WIRED (2730)			Wagner Peyser (2731)			TAA/NAFTA (2733)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	50,000	195	(49,805)	435,100	360,772	(74,328)	1,523,971	2,586,531	1,062,560
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>50,000</u>	<u>195</u>	<u>(49,805)</u>	<u>435,100</u>	<u>360,772</u>	<u>(74,328)</u>	<u>1,523,971</u>	<u>2,586,531</u>	<u>1,062,560</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	50,000	195	49,805	435,100	360,772	74,328	1,523,971	2,586,531	(1,062,560)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>50,000</u>	<u>195</u>	<u>49,805</u>	<u>435,100</u>	<u>360,772</u>	<u>74,328</u>	<u>1,523,971</u>	<u>2,586,531</u>	<u>(1,062,560)</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, 2010**

	Michigan Prisoner Re-entry (2734)			S.Y.A.R.R. (2742)			Workfirst (2751)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 226,000	\$ 136,823	(\$ 89,177)	\$ -	\$ -	\$ -	\$ 806,000	\$ 367,496	(\$ 438,504)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	1,279,300	183,272	(1,096,028)	3,210,900	2,420,856	(790,044)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	185	185
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>226,000</u>	<u>136,823</u>	<u>(89,177)</u>	<u>1,279,300</u>	<u>183,272</u>	<u>(1,096,028)</u>	<u>4,016,900</u>	<u>2,788,537</u>	<u>(1,228,363)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	226,000	136,823	89,177	1,279,300	183,272	1,096,028	4,016,900	2,788,537	1,228,363
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>226,000</u>	<u>136,823</u>	<u>89,177</u>	<u>1,279,300</u>	<u>183,272</u>	<u>1,096,028</u>	<u>4,016,900</u>	<u>2,788,537</u>	<u>1,228,363</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, 2010**

	Food Stamp Program (2759)			WIA Admin Pool (2760)			WIA Adult Program (2761)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 3,400	\$ -	(\$ 3,400)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	132,000	12,468	(119,532)	168,437	298,628	130,191	1,053,200	917,819	(135,381)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>135,400</u>	<u>12,468</u>	<u>(122,932)</u>	<u>168,437</u>	<u>298,628</u>	<u>130,191</u>	<u>1,053,200</u>	<u>917,819</u>	<u>(135,381)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	135,400	12,468	122,932	168,437	292,686	(124,249)	1,053,200	917,819	135,381
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	-	-	-	-	5,942	(5,942)	-	-	-
	<u>135,400</u>	<u>12,468</u>	<u>122,932</u>	<u>168,437</u>	<u>298,628</u>	<u>(130,191)</u>	<u>1,053,200</u>	<u>917,819</u>	<u>135,381</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-	-	-	-
<b>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, 2010**

	WIA Youth Programs (2762)			WIA Dislocated Wkr Program (2763)			Strategic Planning (2765)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	1,189,400	873,712	(315,688)	1,150,900	1,025,801	(125,099)	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	500	201	(299)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,189,400</u>	<u>873,712</u>	<u>(315,688)</u>	<u>1,150,900</u>	<u>1,025,801</u>	<u>(125,099)</u>	<u>500</u>	<u>201</u>	<u>(299)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	1,189,400	873,712	315,688	1,150,900	1,025,801	125,099	500	201	299
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>1,189,400</u>	<u>873,712</u>	<u>315,688</u>	<u>1,150,900</u>	<u>1,025,801</u>	<u>125,099</u>	<u>500</u>	<u>201</u>	<u>299</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, 2010**

	WIA Youth Statewide (2766)			WIA Service Center Operations (2767)			Incumbent Worker Statewide (2768)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	3,750	5,102	1,352	86,500	74,477	(12,023)	20,000	83,485	63,485
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>3,750</u>	<u>5,102</u>	<u>1,352</u>	<u>86,500</u>	<u>74,477</u>	<u>(12,023)</u>	<u>20,000</u>	<u>83,485</u>	<u>63,485</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	3,750	5,102	(1,352)	86,500	74,477	12,023	20,000	83,485	(63,485)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>3,750</u>	<u>5,102</u>	<u>(1,352)</u>	<u>86,500</u>	<u>74,477</u>	<u>12,023</u>	<u>20,000</u>	<u>83,485</u>	<u>(63,485)</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, 2010**

	WIA SWA TANF Replacement (2770)			WIA SWA ARRA (2771)			WIA SWA Welfare (2772)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	604,600	246,137	(358,463)	170,290	150,175	(20,115)	24,873	19,392	(5,481)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>604,600</u>	<u>246,137</u>	<u>(358,463)</u>	<u>170,290</u>	<u>150,175</u>	<u>(20,115)</u>	<u>24,873</u>	<u>19,392</u>	<u>(5,481)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	604,600	246,137	358,463	170,290	150,175	20,115	24,873	19,392	5,481
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>604,600</u>	<u>246,137</u>	<u>358,463</u>	<u>170,290</u>	<u>150,175</u>	<u>20,115</u>	<u>24,873</u>	<u>19,392</u>	<u>5,481</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, 2010**

	Wagner Peyser (2773)			Employment Svc (2774)			WIA-NEG (2775)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	10,597	3,785	(6,812)	42,395	6,077	(36,318)	2,426,698	2,460,567	33,869
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>10,597</u>	<u>3,785</u>	<u>(6,812)</u>	<u>42,395</u>	<u>6,077</u>	<u>(36,318)</u>	<u>2,426,698</u>	<u>2,460,567</u>	<u>33,869</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	10,597	3,785	6,812	42,395	6,077	36,318	2,426,698	2,460,567	(33,869)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>10,597</u>	<u>3,785</u>	<u>6,812</u>	<u>42,395</u>	<u>6,077</u>	<u>36,318</u>	<u>2,426,698</u>	<u>2,460,567</u>	<u>(33,869)</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, 2010**

	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	587,600	280,009	(307,591)	1,047,282	490,242	(557,040)	164,299	218,689	54,390
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>587,600</u>	<u>280,009</u>	<u>(307,591)</u>	<u>1,047,282</u>	<u>490,242</u>	<u>(557,040)</u>	<u>164,299</u>	<u>218,689</u>	<u>54,390</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	587,600	280,009	307,591	1,047,282	490,242	557,040	164,299	218,689	(54,390)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>587,600</u>	<u>280,009</u>	<u>307,591</u>	<u>1,047,282</u>	<u>490,242</u>	<u>557,040</u>	<u>164,299</u>	<u>218,689</u>	<u>(54,390)</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**  
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**Nonmajor Governmental Funds**  
**Budget and Actual**  
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	Wagner Peyser ECAR-ARRA (2781)			Reemployment ARRA (2782)			Wagner Peyser RCAR-ARRA (2783)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,558	\$ 8,558
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	4,331	791	(3,540)	260,217	234,210	(26,007)	183,331	86,474	(96,857)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>4,331</u>	<u>791</u>	<u>(3,540)</u>	<u>260,217</u>	<u>234,210</u>	<u>(26,007)</u>	<u>183,331</u>	<u>95,032</u>	<u>(88,299)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	4,331	791	3,540	260,217	234,210	26,007	183,331	95,032	88,299
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>4,331</u>	<u>791</u>	<u>3,540</u>	<u>260,217</u>	<u>234,210</u>	<u>26,007</u>	<u>183,331</u>	<u>95,032</u>	<u>88,299</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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	WIA-SAG ARRA (2784)			Crime Victim's Rights (2800)			Muskegon Area Stormwater Committee (2823)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ 160,557	\$ 165,689	\$ 5,132	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	1,000,000	542,173	(457,827)	67,164	67,036	(128)	-	-	-
Local units	-	-	-	-	-	-	34,571	34,571	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	625	625	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,000,000</u>	<u>542,173</u>	<u>(457,827)</u>	<u>228,346</u>	<u>233,350</u>	<u>5,004</u>	<u>34,571</u>	<u>34,571</u>	<u>-</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	56,588	34,938	21,650
Public safety	-	-	-	240,893	237,266	3,627	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	1,000,000	542,173	457,827	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>1,000,000</u>	<u>542,173</u>	<u>457,827</u>	<u>240,893</u>	<u>237,266</u>	<u>3,627</u>	<u>56,588</u>	<u>34,938</u>	<u>21,650</u>
Revenues over (under) expenditures	-	-	-	(12,547)	(3,916)	8,631	(22,017)	(367)	21,650
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	12,295	3,859	(8,436)	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	<u>12,295</u>	<u>3,859</u>	<u>(8,436)</u>	-	-	-
Net change in fund balances	-	-	-	(252)	(57)	195	(22,017)	(367)	21,650
Fund balance at beginning of year	-	-	-	1,115	1,115	-	22,017	22,017	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 863</u>	<u>\$ 1,058</u>	<u>\$ 195</u>	<u>\$ -</u>	<u>\$ 21,650</u>	<u>\$ 21,650</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
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**Budget and Actual**  
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	Community Gun Violence (2832)			Byrne Tech Grant (2833)			Revenue Sharing Reserve (2850)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	2,952	1,754	(1,198)	14,400	14,400	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>2,952</u>	<u>1,754</u>	<u>(1,198)</u>	<u>14,400</u>	<u>14,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	2,952	1,754	1,198	7,165	11,750	(4,585)	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	-	-	-	7,235	2,650	4,585	-	-	-
	<u>2,952</u>	<u>1,754</u>	<u>1,198</u>	<u>14,400</u>	<u>14,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	(3,156,498)	(3,156,498)	-
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-	<u>(3,156,498)</u>	<u>(3,156,498)</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	-	-	-	-	<u>(3,156,498)</u>	<u>(3,156,498)</u>	<u>-</u>
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	3,703,879	3,703,879	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 547,381</u>	<u>\$ 547,381</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, 2010**

	EDC Loan Revolving (2860)			Downtown Redevelopment Project (2876)			Remonumentation Program (2890)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,467	\$ 70,227	(\$ 2,240)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	217,123	217,123	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	50	50	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	1,800	2,663	863	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,850</u>	<u>2,713</u>	<u>863</u>	<u>217,123</u>	<u>217,123</u>	<u>-</u>	<u>72,467</u>	<u>70,227</u>	<u>(2,240)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	39,336	52,346	(13,010)	217,123	217,123	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	80,467	74,445	6,022
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>39,336</u>	<u>52,346</u>	<u>(13,010)</u>	<u>217,123</u>	<u>217,123</u>	<u>-</u>	<u>80,467</u>	<u>74,445</u>	<u>6,022</u>
Revenues over (under) expenditures	(37,486)	(49,633)	(12,147)	-	-	-	(8,000)	(4,218)	3,782
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	8,000	4,218	(3,782)
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>4,218</u>	<u>(3,782)</u>
Net change in fund balances	(37,486)	(49,633)	(12,147)	-	-	-	-	-	-
Fund balance at beginning of year	210,165	210,165	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ 172,679</u>	<u>\$ 160,532</u>	<u>(\$ 12,147)</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, 2010**

	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	\$ 967,667	(\$ 92,333)	\$ 3,370,368	\$ 3,359,329	(\$ 11,039)
Federal	-	-	-	-	-	-	37,384	37,490	106
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	13,354,731	12,905,022	(449,709)	-	-	-	-	-	-
Contributions from private sources	50	-	(50)	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	1,000	657	(343)	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	17,000	15,753	(1,247)	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	1,953,810	1,939,661	(14,149)	40,000	49,146	9,146	276,900	262,365	(14,535)
	<u>15,326,591</u>	<u>14,861,093</u>	<u>(465,498)</u>	<u>1,100,000</u>	<u>1,016,813</u>	<u>(83,187)</u>	<u>3,684,652</u>	<u>3,659,184</u>	<u>(25,468)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	15,696,591	15,345,311	351,280	1,112,850	1,027,855	84,995	7,430,521	7,354,097	76,424
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	8,884	8,884	-
	<u>15,696,591</u>	<u>15,345,311</u>	<u>351,280</u>	<u>1,112,850</u>	<u>1,027,855</u>	<u>84,995</u>	<u>7,439,405</u>	<u>7,362,981</u>	<u>76,424</u>
<b>Revenues over (under) expenditures</b>	<b>(370,000)</b>	<b>(484,218)</b>	<b>(114,218)</b>	<b>(12,850)</b>	<b>(11,042)</b>	<b>1,808</b>	<b>(3,754,753)</b>	<b>(3,703,797)</b>	<b>50,956</b>
<b>Other financing sources (uses)</b>									
Transfers in	370,000	484,218	114,218	12,850	11,042	(1,808)	3,754,753	3,703,797	(50,956)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>370,000</u>	<u>484,218</u>	<u>114,218</u>	<u>12,850</u>	<u>11,042</u>	<u>(1,808)</u>	<u>3,754,753</u>	<u>3,703,797</u>	<u>(50,956)</u>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
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**Nonmajor Governmental Funds**  
**Budget and Actual**  
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	Veterans Trust (2940)			Mental Health Buildings (2970)			Victim Restitution (2980)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 30,682	\$ 25,329	(\$ 5,353)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	4,500	4,566	66
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	1,000	316	(684)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	340,820	340,820	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>30,682</u>	<u>25,329</u>	<u>(5,353)</u>	<u>340,820</u>	<u>340,820</u>	<u>-</u>	<u>5,500</u>	<u>4,882</u>	<u>(618)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	5,000	6,723	(1,723)
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	313,517	335,887	(22,370)	-	-	-
Welfare	30,682	25,329	5,353	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>30,682</u>	<u>25,329</u>	<u>5,353</u>	<u>313,517</u>	<u>335,887</u>	<u>(22,370)</u>	<u>5,000</u>	<u>6,723</u>	<u>(1,723)</u>
<b>Revenues over (under) expenditures</b>	-	-	-	27,303	4,933	(22,370)	500	(1,841)	(2,341)
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-	-	-	-
<b>Net change in fund balances</b>	-	-	-	27,303	4,933	(22,370)	500	(1,841)	(2,341)
<b>Fund balance at beginning of year</b>	-	-	-	1,938	1,938	-	52,491	52,491	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,241</u>	<u>\$ 6,871</u>	<u>(\$ 22,370)</u>	<u>\$ 52,991</u>	<u>\$ 50,650</u>	<u>(\$ 2,341)</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, 2010**

	Quality of Life (3111)			Hall of Justice Debt (3130)			CMH Building (3140)		
	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	15,335	4,909	(10,426)	-	-	-	250	496	246
Taxes	1,405,046	1,409,655	4,609	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	360,744	360,694	(50)
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,420,381</u>	<u>1,414,564</u>	<u>(5,817)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>360,994</u>	<u>361,190</u>	<u>196</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	300	461	(161)	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	300	836	(536)
Welfare	-	-	-	-	-	-	-	-	-
Culture	836	138,520	(137,684)	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Debt Service</b>									
Principal	955,000	955,000	-	270,000	270,000	-	-	-	-
Interest	233,109	95,427	137,682	231,818	232,476	(658)	360,694	358,750	1,944
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>1,188,945</u>	<u>1,188,947</u>	<u>(2)</u>	<u>502,118</u>	<u>502,937</u>	<u>(819)</u>	<u>360,994</u>	<u>359,586</u>	<u>1,408</u>
<b>Revenues over (under) expenditures</b>	<b>231,436</b>	<b>225,617</b>	<b>(5,819)</b>	<b>(502,118)</b>	<b>(502,937)</b>	<b>(819)</b>	<b>-</b>	<b>1,604</b>	<b>1,604</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	502,118	502,329	211	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>502,118</b>	<b>502,329</b>	<b>211</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>231,436</b>	<b>225,617</b>	<b>(5,819)</b>	<b>-</b>	<b>(608)</b>	<b>(608)</b>	<b>-</b>	<b>1,604</b>	<b>1,604</b>
<b>Fund balance at beginning of year</b>	<b>78,961</b>	<b>78,961</b>	<b>-</b>	<b>608</b>	<b>608</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 310,397</b>	<b>\$ 304,578</b>	<b>(\$ 5,819)</b>	<b>\$ 608</b>	<b>\$ -</b>	<b>(\$ 608)</b>	<b>\$ -</b>	<b>\$ 1,604</b>	<b>\$ 1,604</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, 2010**

**Halmond Center Debt**  
**(3142)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
<b>Grants</b>			
State	\$ -	\$ -	\$ -
Federal	-	-	-
Federal pass-thru	-	-	-
Local units	-	-	-
Charges for services rendered	-	-	-
Contributions from private sources	-	-	-
Fines and forfeitures	-	-	-
Investment income	50	213	163
Taxes	-	-	-
Rentals	180,939	179,293	(1,646)
Special assessments	-	-	-
Other	-	-	-
	<u>180,989</u>	<u>179,506</u>	<u>(1,483)</u>
<b>Expenditures</b>			
<b>Current operations</b>			
Judicial	-	-	-
General County government	-	-	-
Public safety	-	-	-
Health	885	462	423
Welfare	-	-	-
Culture	-	-	-
Recreation	-	-	-
Other	-	-	-
<b>Debt Service</b>			
Principal	175,000	175,000	-
Interest	5,104	5,128	(24)
Capital outlay	-	-	-
	<u>180,989</u>	<u>180,590</u>	<u>399</u>
<b>Revenues over (under) expenditures</b>	-	(1,084)	(1,084)
<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>	-	(1,084)	(1,084)
<b>Fund balance at beginning of year</b>	<u>1,084</u>	<u>1,084</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 1,084</u>	<u>\$ -</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, 2010*

	<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	33,000	48,000	1,688	(46,312)
Fines and forfeitures	-	-	-	-
Investment income	5,500	2,508	514	(1,994)
Rentals	-	-	-	-
Special assessments	2,597,441	2,392,606	925,000	(1,467,606)
Contributions from private sources	-	-	-	-
Other	1,644	2,574	-	(2,574)
Total revenues	<u>2,637,585</u>	<u>2,445,688</u>	<u>927,202</u>	<u>(1,518,486)</u>
<b>Expenditures</b>				
<b>Current operations</b>				
Legislative	-	-	-	-
Judicial	-	-	-	-
General County government	-	-	-	-
Public safety	-	-	-	-
Health	23,070	93,088	50,095	42,993
Welfare	-	-	-	-
Culture	-	-	-	-
Recreation	-	-	-	-
Other	1,505	3,070	-	3,070
Capital outlay	100,000	200,000	-	200,000
<b>Debt service</b>				
Principal payments	1,055,000	905,000	2,760,000	(1,855,000)
Interest	1,542,441	1,487,606	-	1,487,606
Other	320	1,220	-	1,220
Total expenditures	<u>2,722,336</u>	<u>2,689,984</u>	<u>2,810,095</u>	<u>(120,111)</u>
Revenues over (under) expenditures	<u>(84,751)</u>	<u>(244,296)</u>	<u>(1,882,893)</u>	<u>(1,638,597)</u>
<b>Other financing sources (uses)</b>				
Refunded bonds	-	-	4,315,000	4,315,000
Payment to refunded bond escrow agent	-	-	(4,356,526)	(4,356,526)
	-	-	(41,526)	(41,526)
Net change in fund balances	(84,751)	(244,296)	(1,924,419)	(1,680,123)
Fund balance at beginning of year	2,604,769	2,604,769	2,604,769	-
Fund balance at end of year	<u>\$ 2,520,018</u>	<u>\$ 2,360,473</u>	<u>\$ 680,350</u>	<u>(\$ 1,680,123)</u>

## **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, 5110,5167,5168)--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.

*County of Muskegon*

*Other Nonmajor Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2010*

ASSETS	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2007 Delinquent Tax Revolving (5167)	2008 Delinquent Tax Revolving (5168)
<b>CURRENT ASSETS</b>					
Cash and cash investments	\$ 476,872	\$ -	\$ 146,285	\$ -	\$ 3,702,815
Investments	185,450	-	56,888	-	1,439,983
Accounts receivable	-	-	212,403	-	-
Accrued interest receivable	1,739	319	1,072	-	18,672
Current portion of delinquent taxes receivable	-	273,551	-	-	6,477,870
Current portion of interest and penalties receivable on delinquent taxes	-	89,965	-	-	578,091
Due from other funds	-	-	528	-	-
Inventories	-	-	-	-	-
Restricted assets	-	-	-	-	-
Total current assets	<u>664,061</u>	<u>363,835</u>	<u>417,176</u>	<u>-</u>	<u>12,217,431</u>
<b>NONCURRENT ASSETS</b>					
Property and Equipment - at cost					
Land	-	-	-	-	-
Land improvements	676,091	-	-	-	-
Buildings	1,857,953	-	-	-	-
Machinery and equipment	92,041	-	-	-	-
Total Property and Equipment	<u>2,626,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less accumulated depreciation	<u>(1,321,611)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Property and Equipment - net	<u>1,304,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ADVANCES TO OTHER FUNDS	-	-	300,000	-	199,415
DELINQUENT TAXES RECEIVABLE	-	-	-	-	916,255
INTEREST AND PENALTIES RECEIVABLE ON DELINQUENT TAXES	-	-	-	-	186,123
Total noncurrent assets	<u>1,304,474</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>1,301,793</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,968,535</u>	<u>\$ 363,835</u>	<u>\$ 717,176</u>	<u>\$ -</u>	<u>\$ 13,519,224</u>

*County of Muskegon*

*Other Nonmajor Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2010*

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2007 Delinquent Tax Revolving (5167)	2008 Delinquent Tax Revolving (5168)
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 8,884	\$ -	\$ -	\$ -	\$ 163
Accrued liabilities	48	-	2,366	-	17,377
Due to other funds	-	133,131	-	-	-
Current portion of accrued closure costs	-	-	-	-	-
Current portion of long term debt	-	-	-	-	3,500,000
<b>Total current liabilities</b>	<b>8,932</b>	<b>133,131</b>	<b>2,366</b>	<b>-</b>	<b>3,517,540</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>8,932</b>	<b>133,131</b>	<b>2,366</b>	<b>-</b>	<b>3,517,540</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	1,304,474	-	-	-	-
Unreserved	655,129	230,704	714,810	-	10,001,684
<b>TOTAL NET ASSETS</b>	<b>\$ 1,959,603</b>	<b>\$ 230,704</b>	<b>\$ 714,810</b>	<b>\$ -</b>	<b>\$ 10,001,684</b>

*County of Muskegon*

*Other Nonmajor Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2010*

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	\$ 29,377	\$ 7,637,207	\$ 835,168	\$ 101,221	\$ 12,928,945
Investments	254,264	2,632,747	324,787	39,364	4,933,483
Accounts receivable	118,607	464,174	-	263	795,447
Accrued interest receivable	21,049	18,218	2,164	243	63,476
Current portion of delinquent taxes receivable	4,684	-	-	-	6,756,105
Current portion of interest and penalties receivable on delinquent taxes	-	-	-	-	668,056
Due from other funds	-	-	-	-	528
Inventories	-	5,099	-	-	5,099
Restricted assets	-	1,612,615	132,234	-	1,744,849
<b>Total current assets</b>	<b>427,981</b>	<b>12,370,060</b>	<b>1,294,353</b>	<b>141,091</b>	<b>27,895,988</b>
<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	-	4,093,995	27,089	45,000	4,258,125
<b>Total Property and Equipment</b>	<b>-</b>	<b>12,326,719</b>	<b>178,442</b>	<b>45,000</b>	<b>15,176,246</b>
Less accumulated depreciation	-	(6,797,053)	(94,252)	(28,125)	(8,241,041)
<b>Property and Equipment - net</b>	<b>-</b>	<b>5,529,666</b>	<b>84,190</b>	<b>16,875</b>	<b>6,935,205</b>
<b>ADVANCES TO OTHER FUNDS</b>	-	-	-	-	499,415
<b>DELINQUENT TAXES RECEIVABLE</b>	-	-	-	-	916,255
<b>INTEREST AND PENALTIES RECEIVABLE</b>					
<b>ON DELINQUENT TAXES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>186,123</b>
<b>Total noncurrent assets</b>	<b>-</b>	<b>5,529,666</b>	<b>84,190</b>	<b>16,875</b>	<b>8,536,998</b>
<b>TOTAL ASSETS</b>	<b>\$ 427,981</b>	<b>\$ 17,899,726</b>	<b>\$ 1,378,543</b>	<b>\$ 157,966</b>	<b>\$ 36,432,986</b>

*County of Muskegon*

*Other Nonmajor Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2010*

	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	\$ 23,347	\$ 75,297	\$ -	\$ 220	\$ 107,911
Accrued liabilities	3,212	151,092	6,637	846	181,578
Due to other funds	528	-	-	-	133,659
Current portion of accrued closure costs	-	277,371	31,526	-	308,897
Current portion of long term debt	-	-	-	-	3,500,000
<b>Total current liabilities</b>	<b>27,087</b>	<b>503,760</b>	<b>38,163</b>	<b>1,066</b>	<b>4,232,045</b>
<b>NONCURRENT LIABILITIES</b>					
Accrued closure costs	-	8,968,343	1,019,351	-	9,987,694
Long term advances from other funds	300,000	-	-	-	300,000
<b>Total noncurrent liabilities</b>	<b>300,000</b>	<b>8,968,343</b>	<b>1,019,351</b>	<b>-</b>	<b>10,287,694</b>
<b>TOTAL LIABILITIES</b>	<b>327,087</b>	<b>9,472,103</b>	<b>1,057,514</b>	<b>1,066</b>	<b>14,519,739</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	-	5,529,666	84,190	16,875	6,935,205
Unreserved	100,894	2,897,957	236,839	140,025	14,978,042
<b>TOTAL NET ASSETS</b>	<b>\$ 100,894</b>	<b>\$ 8,427,623</b>	<b>\$ 321,029</b>	<b>\$ 156,900</b>	<b>\$ 21,913,247</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, 2010*

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2007 Delinquent Tax Revolving (5167)	2008 Delinquent Tax Revolving (5168)
<b>Operating revenues</b>					
Charges for services	\$ -	\$ -	\$ 519,789	\$ -	\$ -
Interest and penalties on delinquent taxes	-	41,114	-	-	1,429,973
Other	-	-	-	-	-
	<u>-</u>	<u>41,114</u>	<u>519,789</u>	<u>-</u>	<u>1,429,973</u>
<b>Operating expenses</b>					
Salaries and fringe benefits	3,490	-	33,511	-	-
Supplies and other operating expenses	75,758	2,671	303,178	-	64,182
Interest expense	-	-	-	-	202,260
Depreciation and amortization	63,511	-	-	-	-
	<u>142,759</u>	<u>2,671</u>	<u>336,689</u>	<u>-</u>	<u>266,442</u>
<b>Operating income (loss)</b>	<b>(142,759)</b>	<b>38,443</b>	<b>183,100</b>	<b>-</b>	<b>1,163,531</b>
<b>Non-Operating revenues (expenses)</b>					
Interest income	5,878	764	3,114	-	71,926
Other (net)	-	-	-	-	-
	<u>5,878</u>	<u>764</u>	<u>3,114</u>	<u>-</u>	<u>71,926</u>
<b>Income (loss) before contributions and transfers</b>	<b>(136,881)</b>	<b>39,207</b>	<b>186,214</b>	<b>-</b>	<b>1,235,457</b>
Transfers in	-	-	-	-	9,385,645
Transfers (out)	(239,394)	(50,000)	(50,000)	(9,361,611)	(2,156,822)
	<u>(239,394)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(9,361,611)</u>	<u>7,228,823</u>
<b>Change in net assets</b>	<b>(376,275)</b>	<b>(10,793)</b>	<b>136,214</b>	<b>(9,361,611)</b>	<b>8,464,280</b>
<b>Net Assets at beginning of year</b>	<b>2,335,878</b>	<b>241,497</b>	<b>578,596</b>	<b>9,361,611</b>	<b>1,537,404</b>
<b>Net Assets at end of year</b>	<b>\$ 1,959,603</b>	<b>\$ 230,704</b>	<b>\$ 714,810</b>	<b>\$ -</b>	<b>\$ 10,001,684</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, 2010*

	Muskegon County Land Bank (5500)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Trolley Company (5890)	Totals
<b>Operating revenues</b>					
Charges for services	\$ 5,036	\$ 2,709,284	\$ -	\$ 37,965	\$ 3,272,074
Interest and penalties on delinquent taxes	-	-	-	-	1,471,087
Other	250	229	-	-	479
	<u>5,286</u>	<u>2,709,513</u>	<u>-</u>	<u>37,965</u>	<u>4,743,640</u>
<b>Operating expenses</b>					
Salaries and fringe benefits	-	768,148	77,666	10,230	893,045
Supplies and other operating expenses	71,687	2,881,398	1,061,347	14,123	4,474,344
Interest expense	-	-	-	-	202,260
Depreciation and amortization	-	670,401	3,784	4,500	742,196
	<u>71,687</u>	<u>4,319,947</u>	<u>1,142,797</u>	<u>28,853</u>	<u>6,311,845</u>
<b>Operating income (loss)</b>	<b>(66,401)</b>	<b>(1,610,434)</b>	<b>(1,142,797)</b>	<b>9,112</b>	<b>(1,568,205)</b>
<b>Non-Operating revenues (expenses)</b>					
Interest income	13,076	60,838	7,398	773	163,767
Other (net)	105,496	33,168	-	-	138,664
	<u>118,572</u>	<u>94,006</u>	<u>7,398</u>	<u>773</u>	<u>302,431</u>
<b>Income (loss) before contributions and transfers</b>	<b>52,171</b>	<b>(1,516,428)</b>	<b>(1,135,399)</b>	<b>9,885</b>	<b>(1,265,774)</b>
Transfers in	-	26,606	-	-	9,412,251
Transfers (out)	-	-	-	-	(11,857,827)
	<u>-</u>	<u>26,606</u>	<u>-</u>	<u>-</u>	<u>(2,445,576)</u>
<b>Change in net assets</b>	<b>52,171</b>	<b>(1,489,822)</b>	<b>(1,135,399)</b>	<b>9,885</b>	<b>(3,711,350)</b>
<b>Net Assets at beginning of year</b>	<b>48,723</b>	<b>9,917,445</b>	<b>1,456,428</b>	<b>147,015</b>	<b>25,624,597</b>
<b>Net Assets at end of year</b>	<b>\$ 100,894</b>	<b>\$ 8,427,623</b>	<b>\$ 321,029</b>	<b>\$ 156,900</b>	<b>\$ 21,913,247</b>

*County of Muskegon*

*Other Nonmajor Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS**

*For the Year ended September 30, 2010*

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2007 Delinquent Tax Revolving (5167)	2008 Delinquent Tax Revolving (5168)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ -	\$ 5,650	\$ 400,460	\$ -	\$ 1,429,973
Cash Payments to Suppliers of Goods and Services	(68,768)	(2,872)	(410,557)	-	(64,182)
Cash Payments to Employees for Services	(3,478)	-	(31,939)	-	-
Interest paid	-	-	-	(46,278)	(339,877)
Other receipts (payments)	-	35,665	-	-	17,377
Net cash provided by (used for) Operating Activities	<u>(72,246)</u>	<u>38,443</u>	<u>(42,036)</u>	<u>(46,278)</u>	<u>1,043,291</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Tax collections	-	(104,911)	-	3,759,019	2,828,358
Note payments	-	-	-	(3,500,000)	(7,500,000)
Increase in investments	-	-	-	-	-
Long Term Advance from (to) other funds	-	115,829	-	498,214	(199,415)
Transfers to other funds	(239,394)	(50,000)	(50,000)	(9,361,611)	(2,156,822)
Transfers from other funds	-	-	-	-	9,385,645
Advances from (to) other funds	-	-	-	7,000,000	-
Net cash provided by (used for) noncapital financing activities	<u>(239,394)</u>	<u>(39,082)</u>	<u>(50,000)</u>	<u>(1,604,378)</u>	<u>2,357,766</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
Operating Subsidies	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</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, 2010

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2007 Delinquent Tax Revolving (5167)	2008 Delinquent Tax Revolving (5168)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	599,541	-	182,477	410,711	3,203,274
Purchase of investments	(543,634)	-	(166,685)	-	(4,221,209)
Interest received from investment pool	5,878	639	3,114	7,813	53,550
Net cash provided by investing activities	<u>61,785</u>	<u>639</u>	<u>18,906</u>	<u>418,524</u>	<u>(964,385)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(249,855)	-	(73,130)	(1,232,132)	2,436,672
Cash and cash equivalents, September 30, 2009	<u>726,727</u>	-	<u>219,415</u>	<u>1,232,132</u>	<u>1,266,143</u>
Cash and cash equivalents, September 30, 2010	<u>\$ 476,872</u>	<u>\$ -</u>	<u>\$ 146,285</u>	<u>\$ -</u>	<u>\$ 3,702,815</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	<u>(\$ 142,759)</u>	<u>\$ 38,443</u>	<u>\$ 183,100</u>	<u>\$ -</u>	<u>\$ 1,163,531</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	63,511	-	-	-	-
Changes in Assets and Liabilities:					
(Increase) decrease in accounts receivable	-	-	(118,801)	-	-
(Increase) decrease in inventories	-	-	-	-	-
Increase (decrease) in accounts payable	6,990	-	(107,379)	-	-
Increase (decrease) in due to other funds	-	-	(528)	-	-
(Increase) decrease in prepaid expenses	-	-	-	-	-
(Increase) decrease in restricted assets	-	-	-	-	-
Increase (decrease) in closure costs	-	-	-	-	-
Increase (decrease) in accruals	12	-	1,572	(46,278)	(120,240)
Total Adjustments	<u>70,513</u>	<u>-</u>	<u>(225,136)</u>	<u>(46,278)</u>	<u>(120,240)</u>
Net cash provided by (used for) operations	<u>(\$ 72,246)</u>	<u>\$ 38,443</u>	<u>(\$ 42,036)</u>	<u>(\$ 46,278)</u>	<u>\$ 1,043,291</u>

*County of Muskegon*

*Other Nonmajor Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS**

*For the Year ended September 30, 2010*

	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	\$ 1,826	\$ 2,596,305	\$ -	\$ 37,702	\$ 4,471,916
Cash Payments to Suppliers of Goods and Services	(49,523)	(1,091,555)	(10,054)	(13,903)	(1,711,414)
Cash Payments to Employees for Services	-	(739,042)	(76,321)	(9,945)	(860,725)
Interest paid	-	-	-	-	(386,155)
Other receipts (payments)	-	-	-	-	53,042
Net cash provided by (used for) Operating Activities	<u>(47,697)</u>	<u>765,708</u>	<u>(86,375)</u>	<u>13,854</u>	<u>1,566,664</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Tax collections	-	-	-	-	6,482,466
Note payments	-	-	-	-	(11,000,000)
Increase in investments	38,893	-	-	-	38,893
Long Term Advance from (to) other funds	-	-	-	-	414,628
Transfers to other funds	-	-	-	-	(11,857,827)
Transfers from other funds	-	26,606	-	-	9,412,251
Advances from (to) other funds	-	-	-	-	7,000,000
Net cash provided by (used for) noncapital financing activities	<u>38,893</u>	<u>26,606</u>	<u>-</u>	<u>-</u>	<u>490,411</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	-	(428,603)	-	-	(428,603)
Sale of fixed assets	-	60,002	-	-	60,002
Operating Subsidies	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(368,601)</u>	<u>-</u>	<u>-</u>	<u>(368,601)</u>

*County of Muskegon*

*Other Nonmajor Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

*For the Year ended September 30, 2010*

	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	54,506	7,250,646	937,304	107,552	12,746,011
Purchase of investments	(33,490)	(8,706,416)	(952,092)	(115,392)	(14,738,918)
Interest received from investment pool	6,732	51,124	6,335	635	135,820
Net cash provided by investing activities	<u>27,748</u>	<u>(1,404,646)</u>	<u>(8,453)</u>	<u>(7,205)</u>	<u>(1,857,087)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
	18,944	(980,933)	(94,828)	6,649	(168,613)
Cash and cash equivalents, September 30, 2009	<u>10,433</u>	<u>8,618,140</u>	<u>929,996</u>	<u>94,572</u>	<u>13,097,558</u>
Cash and cash equivalents, September 30, 2010	<u>\$ 29,377</u>	<u>\$ 7,637,207</u>	<u>\$ 835,168</u>	<u>\$ 101,221</u>	<u>\$ 12,928,945</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	<u>(\$ 66,401)</u>	<u>(\$ 1,610,434)</u>	<u>(\$ 1,142,797)</u>	<u>\$ 9,112</u>	<u>(\$ 1,568,205)</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>					
Depreciation expense	-	670,401	3,784	4,500	742,196
<b>Changes in Assets and Liabilities:</b>					
(Increase) decrease in accounts receivable	(4,684)	(113,208)	-	(263)	(236,956)
(Increase) decrease in inventories	-	(471)	-	-	(471)
Increase (decrease) in accounts payable	22,776	44,443	-	220	(32,950)
Increase (decrease) in due to other funds	-	-	-	-	(528)
(Increase) decrease in prepaid expenses	415	-	-	-	415
(Increase) decrease in restricted assets	-	(83,722)	416	-	(83,306)
Increase (decrease) in closure costs	-	1,829,593	1,050,877	-	2,880,470
Increase (decrease) in accruals	197	29,106	1,345	285	(134,001)
Total Adjustments	<u>18,704</u>	<u>2,376,142</u>	<u>1,056,422</u>	<u>4,742</u>	<u>3,134,869</u>
Net cash provided by (used for) operations	<u>(\$ 47,697)</u>	<u>\$ 765,708</u>	<u>(\$ 86,375)</u>	<u>\$ 13,854</u>	<u>\$ 1,566,664</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.

Energy Improvements (6350)--to accounts for the replacement and upgrading of most County buildings to provide for energy efficiency. The fund is self-sustaining with the revenues generated from depreciation to be charged back over the useful life of the improvements.

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, 2010

ASSETS	Office Services (6330)	County South Campus (6340)	Sheriff Garage (6345)	Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>CURRENT ASSETS</b>								
Cash and cash equivalents	\$ 96,598	\$ 15,877	\$ 13,661	\$ 1,035,782	\$ 2,087,791	\$ 7,091,567	\$ 1,158,438	\$ 11,499,714
Investments	37,566	-	-	402,804	811,919	2,757,778	450,503	4,460,570
Accounts receivable	590	7,876	-	96,537	59	22,899	-	127,961
Accrued interest receivable	23	-	-	3,615	4,643	17,180	-	25,461
Total current assets	<u>134,777</u>	<u>23,753</u>	<u>13,661</u>	<u>1,538,738</u>	<u>2,904,412</u>	<u>9,889,424</u>	<u>1,608,941</u>	<u>16,113,706</u>
<b>NONCURRENT ASSETS</b>								
Long-term note receivable	-	-	-	-	-	200,000	-	200,000
Long-term advance to other funds	-	-	-	-	-	800,584	-	800,584
<b>Property and Equipment - at cost</b>								
Land	-	-	15,000	-	444,908	-	-	459,908
Buildings	-	-	118,007	4,995,085	1,615,114	-	-	6,728,206
Machinery and equipment	-	-	54,379	-	11,118,103	-	-	11,172,482
Construction in progress	-	-	-	1,815,180	-	-	-	1,815,180
Total Property and Equipment	-	-	187,386	6,810,265	13,178,125	-	-	20,175,776
Less accumulated depreciation	-	-	(40,254)	-	(9,535,593)	-	-	(9,575,847)
Total Property and Equipment - net	-	-	147,132	6,810,265	3,642,532	-	-	10,599,929
Total noncurrent assets	-	-	147,132	6,810,265	3,642,532	1,000,584	-	11,600,513
<b>TOTAL ASSETS</b>	<u>\$ 134,777</u>	<u>\$ 23,753</u>	<u>\$ 160,793</u>	<u>\$ 8,349,003</u>	<u>\$ 6,546,944</u>	<u>\$ 10,890,008</u>	<u>\$ 1,608,941</u>	<u>\$ 27,714,219</u>

County of Muskegon

Internal Service Funds  
Combining Statement of Net Assets

September 30, 2010

LIABILITIES AND NET ASSETS	Office Services (6330)	County South Campus (6340)	Sheriff Garage (6345)	Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>CURRENT LIABILITIES</b>								
Accounts payable	\$ 19,440	\$ 15,796	\$ 3,454	\$ 346,005	\$ 49,290	\$ 1,752,411	\$ 36,529	\$ 2,222,925
Current portion of long term debt	-	-	-	285,000	-	-	-	285,000
Accrued liabilities	66,751	7,957	3,092	335,458	53	1,515,717	-	1,929,028
<b>Total current liabilities</b>	<u>86,191</u>	<u>23,753</u>	<u>6,546</u>	<u>966,463</u>	<u>49,343</u>	<u>3,268,128</u>	<u>36,529</u>	<u>4,436,953</u>
<b>NONCURRENT LIABILITIES</b>								
Long-term Debt	-	-	-	6,855,000	-	-	-	6,855,000
Accrued liabilities	-	-	-	-	-	3,507,414	-	3,507,414
Long-term advances from other funds	-	-	-	-	567,118	-	-	567,118
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,855,000</u>	<u>567,118</u>	<u>3,507,414</u>	<u>-</u>	<u>10,929,532</u>
<b>TOTAL LIABILITIES</b>	<u>86,191</u>	<u>23,753</u>	<u>6,546</u>	<u>7,821,463</u>	<u>616,461</u>	<u>6,775,542</u>	<u>36,529</u>	<u>15,366,485</u>
<b>NET ASSETS</b>								
Invested in capital assets - net of related debt	-	-	147,132	(44,735)	3,642,532	-	-	3,744,929
Unreserved	48,586	-	7,115	572,275	2,287,951	4,114,466	1,572,412	8,602,805
<b>TOTAL NET ASSETS</b>	<u>\$ 48,586</u>	<u>\$ -</u>	<u>\$ 154,247</u>	<u>\$ 527,540</u>	<u>\$ 5,930,483</u>	<u>\$ 4,114,466</u>	<u>\$ 1,572,412</u>	<u>\$ 12,347,734</u>

County of Muskegon

Internal Service Funds

Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Year ended September 30, 2010

	Office Services (6330)	County South Campus (6340)	Sheriff Garage (6345)	Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>Operating revenues</b>								
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,245,719	\$ -	\$ 19,245,719
Rents	-	738,379	-	-	771,039	-	-	1,509,418
Other	577,276	-	10,535	-	628,923	6,160,017	-	7,376,751
	<u>577,276</u>	<u>738,379</u>	<u>10,535</u>	<u>-</u>	<u>1,399,962</u>	<u>25,405,736</u>	<u>-</u>	<u>28,131,888</u>
<b>Operating expenses</b>								
Salaries and fringes	172,834	195,557	78,623	-	1,175	824,599	-	1,272,788
Supplies and other operating expenses	420,262	529,660	81,389	-	314,636	130,106	-	1,476,053
Insurance benefits and claims	-	-	-	-	-	1,104,445	36,529	1,140,974
Insurance premiums	-	13,162	852	-	1,373	21,919,180	-	21,934,567
Interest expense	-	-	-	-	16,130	-	-	16,130
Depreciation	-	-	8,864	-	910,463	-	-	919,327
	<u>593,096</u>	<u>738,379</u>	<u>169,728</u>	<u>-</u>	<u>1,243,777</u>	<u>23,978,330</u>	<u>36,529</u>	<u>26,759,839</u>
Operating income (loss)	(15,820)	-	(159,193)	-	156,185	1,427,406	(36,529)	1,372,049
<b>Non-Operating revenues (expenses)</b>								
Capital Contributions	-	-	-	282,239	-	-	-	282,239
Investment income	140	-	-	5,907	13,728	50,222	5,144	75,141
Other	-	-	-	-	(4,205)	-	-	(4,205)
	<u>140</u>	<u>-</u>	<u>-</u>	<u>288,146</u>	<u>9,523</u>	<u>50,222</u>	<u>5,144</u>	<u>353,175</u>
Transfers In	-	-	159,193	239,394	750,000	-	-	1,148,587
Transfers Out	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>159,193</u>	<u>239,394</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>1,148,587</u>
Change in net assets	(15,680)	-	-	527,540	915,708	1,477,628	(31,385)	2,873,811
Net Assets at beginning of year	64,266	-	154,247	-	5,014,775	2,636,838	1,603,797	9,473,923
Net Assets at end of year	<u>\$ 48,586</u>	<u>\$ -</u>	<u>\$ 154,247</u>	<u>\$ 527,540</u>	<u>\$ 5,930,483</u>	<u>\$ 4,114,466</u>	<u>\$ 1,572,412</u>	<u>\$ 12,347,734</u>

County of Muskegon

Governmental Activities Internal Service Funds  
Statement of Cash Flows  
For the Year ended September 30, 2010

	Office Services (6330)	County South Campus (6340)	Sheriff Garage (6345)	Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Cash Received from Customers/Other Funds	\$ 577,681	\$ 730,503	\$ 10,535	\$ -	\$ 1,399,962	\$ 25,451,454	\$ 90,525	\$ 28,260,660
Cash Payments to Suppliers of Goods and Services	(401,517)	(575,799)	(78,890)	-	(298,900)	(23,761,375)	(36,529)	(25,153,010)
Cash Payments to Employees for Services	(173,850)	(197,419)	(79,158)	-	(1,175)	(824,599)	-	(1,276,201)
Net cash provided by (used for) Operating Activities	<u>2,314</u>	<u>(42,715)</u>	<u>(147,513)</u>	<u>-</u>	<u>1,099,887</u>	<u>865,480</u>	<u>53,996</u>	<u>1,831,449</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Sales of non capitalized Assets	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	(333,429)	(333,429)
Transfers from other funds	-	-	159,193	-	750,000	-	-	909,193
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>159,193</u>	<u>-</u>	<u>750,000</u>	<u>-</u>	<u>(333,429)</u>	<u>575,764</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Principal payments on long term debt	-	-	-	-	(843,651)	-	-	(843,651)
Proceeds from sale of fixed assets	-	-	-	-	80	-	-	80
Transfers from other funds	-	-	-	239,394	-	-	-	239,394
Capital Contributed	-	-	-	282,239	-	-	-	282,239
Bond Proceeds	-	-	-	7,140,000	-	-	-	7,140,000
Principal received (paid) on long term advances	-	-	-	-	552,694	50,000	-	602,694
Purchase of capital assets	-	-	(9,160)	(6,225,339)	(866,804)	-	-	(7,101,303)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(9,160)</u>	<u>1,436,294</u>	<u>(1,157,681)</u>	<u>50,000</u>	<u>-</u>	<u>319,453</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Payments received on Note receivable	-	-	-	-	-	-	-	-
Proceeds from sales and maturities of investments	105,481	14,648	2,785	777,987	2,117,434	7,549,836	1,340,923	11,909,094
Purchase of investments	(110,122)	-	-	(1,180,791)	(2,380,082)	(8,084,229)	(1,320,619)	(13,075,843)
Interest received from investment pool	151	-	-	2,292	10,421	40,324	5,144	58,332
Net cash provided by (used for) investing activities	<u>(4,490)</u>	<u>14,648</u>	<u>2,785</u>	<u>(400,512)</u>	<u>(252,227)</u>	<u>(494,069)</u>	<u>25,448</u>	<u>(1,108,417)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>								
	(2,176)	(28,067)	5,305	1,035,782	439,979	421,411	(253,985)	1,618,249
Cash and cash equivalents, September 30, 2009	<u>98,774</u>	<u>43,944</u>	<u>8,356</u>	<u>-</u>	<u>1,647,812</u>	<u>6,670,156</u>	<u>1,412,423</u>	<u>9,881,465</u>
Cash and cash equivalents, September 30, 2010	<u>\$ 96,598</u>	<u>\$ 15,877</u>	<u>\$ 13,661</u>	<u>\$ 1,035,782</u>	<u>\$ 2,087,791</u>	<u>\$ 7,091,567</u>	<u>\$ 1,158,438</u>	<u>\$ 11,499,714</u>

This Statement covers more than one page.

County of Muskegon

Governmental Activities Internal Service Funds  
 Statement of Cash Flows - continued  
 For the Year ended September 30, 2010

	Office Services (6330)	South Campus (6340)	Sheriff Garage (6345)	Energy Improvements (6350)	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)	(\$ 15,820)	\$ -	(\$ 159,193)	\$ -	\$ 156,185	\$ 1,427,406	(\$ 36,529)	\$ 1,372,049
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation expense	-	-	8,864	-	910,463	-	-	919,327
Changes in Assets and Liabilities:								
(Increase) decrease in accounts receivable	405	(7,876)	-	-	-	45,718	90,525	128,772
Increase (decrease) in accounts payable	18,745	(32,977)	3,351	-	41,499	(165,337)	-	(134,719)
Increase (decrease) in accrued liabilities	(1,016)	(1,862)	(535)	-	(8,260)	(442,307)	-	(453,980)
Total Adjustments	18,134	(42,715)	11,680	-	943,702	(561,926)	90,525	459,400
Net cash provided by (used for) operations	<u>\$ 2,314</u>	<u>(\$ 42,715)</u>	<u>(\$ 147,513)</u>	<u>\$ -</u>	<u>\$ 1,099,887</u>	<u>\$ 865,480</u>	<u>\$ 53,996</u>	<u>\$ 1,831,449</u>

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, 2010

	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	\$ 8,618,130	\$ 88,670	\$ 2,079,690	\$ 3,134,543	\$ 88,760	\$ 337,207	\$ 136,776	\$ 35,299	\$ 14,519,075
Accounts receivable	1,080,496	-	249,592	-	-	-	1,775	-	1,331,863
Accrued interest receivable	-	445	3,961	6,268	154	-	378	66	11,272
	<u>\$ 9,698,626</u>	<u>\$ 89,115</u>	<u>\$ 2,333,243</u>	<u>\$ 3,140,811</u>	<u>\$ 88,914</u>	<u>\$ 337,207</u>	<u>\$ 138,929</u>	<u>\$ 35,365</u>	<u>\$ 15,862,210</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 23,838	\$ -	\$ 649,024	\$ -	\$ 685	\$ -	\$ 6,907	\$ -	\$ 680,454
Intergovernmental payable	872,497	-	-	-	-	-	-	-	872,497
Undistributed current and delinquent taxes	8,409,207	-	-	-	-	-	-	-	8,409,207
Trust deposits	354,220	-	-	-	-	-	-	-	354,220
Accrued liabilities	-	-	146,255	55,632	873	-	-	-	202,760
Unallocated receipts	16,372	89,115	1,537,964	3,085,179	87,356	337,207	132,022	35,365	5,320,580
Fines and Fees due to local municipalities and libraries	22,492	-	-	-	-	-	-	-	22,492
	<u>\$ 9,698,626</u>	<u>\$ 89,115</u>	<u>\$ 2,333,243</u>	<u>\$ 3,140,811</u>	<u>\$ 88,914</u>	<u>\$ 337,207</u>	<u>\$ 138,929</u>	<u>\$ 35,365</u>	<u>\$ 15,862,210</u>

*County of Muskegon*

*Agency Funds*

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

*For the Year ended September 30, 2010*

	Balance Oct. 1, 2009	Additions	Deductions	Balance Sept. 30, 2010
<b>Trust and Agency (7010)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 7,614,811	\$ 175,802,584	\$ 174,799,265	\$ 8,618,130
Accounts receivable	1,475,966	1,217,886	1,613,356	1,080,496
	<u>\$ 9,090,777</u>	<u>\$ 177,020,470</u>	<u>\$ 176,412,621</u>	<u>\$ 9,698,626</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,990	\$ 60,965,670	\$ 60,944,822	\$ 23,838
Intergovernmental payable	487,922	5,849,747	5,465,172	872,497
Undistributed current and delinquent taxes	7,899,572	79,749,644	79,240,009	8,409,207
Fines and fees due to local municipalities and libraries	24,282	287,610	289,400	22,492
Trust deposits	622,549	20,675,126	20,943,455	354,220
Unallocated receipts	53,462	79,669,226	79,706,316	16,372
	<u>\$ 9,090,777</u>	<u>\$ 247,197,023</u>	<u>\$ 246,589,174</u>	<u>\$ 9,698,626</u>
<b>Library Penal Fines (7210)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 94,959	\$ 383,723	\$ 390,012	\$ 88,670
Accrued interest receivable	132	1,420	1,107	445
	<u>\$ 95,091</u>	<u>\$ 385,143</u>	<u>\$ 391,119</u>	<u>\$ 89,115</u>
<b>LIABILITIES</b>				
Unallocated receipts	\$ 95,091	\$ 511,056	\$ 517,032	\$ 89,115
	<u>\$ 95,091</u>	<u>\$ 511,056</u>	<u>\$ 517,032</u>	<u>\$ 89,115</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued  
For the Year ended September 30, 2010

	Balance Oct. 1, 2009	Additions	Deductions	Balance Sept. 30, 2010
<b>Muskegon Central Dispatch 9-1-1 (7708)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 1,943,180	\$ 3,670,748	\$ 3,534,238	\$ 2,079,690
Accounts receivable	204,380	1,156,727	1,111,515	249,592
Accrued interest receivable	1,750	12,068	9,857	3,961
	<u>\$ 2,149,310</u>	<u>\$ 4,839,543</u>	<u>\$ 4,655,610</u>	<u>\$ 2,333,243</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 9,312	\$ 2,007,308	\$ 1,367,596	\$ 649,024
Intergovernmental payable	-	-	-	-
Accrued liabilities	621,584	172,076	647,405	146,255
Unallocated receipts	1,518,414	3,494,760	3,475,210	1,537,964
	<u>\$ 2,149,310</u>	<u>\$ 5,674,144</u>	<u>\$ 5,490,211</u>	<u>\$ 2,333,243</u>
<b>District Library (7810)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 2,663,013	\$ 3,099,817	\$ 2,628,287	\$ 3,134,543
Accrued interest receivable	2,384	19,175	15,291	6,268
	<u>\$ 2,665,397</u>	<u>\$ 3,118,992</u>	<u>\$ 2,643,578</u>	<u>\$ 3,140,811</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,314,765	\$ 1,314,765	\$ -
Accrued liabilities	1,020	136,858	82,246	55,632
Unallocated receipts	2,664,377	2,818,928	2,398,126	3,085,179
	<u>\$ 2,665,397</u>	<u>\$ 4,270,551</u>	<u>\$ 3,795,137</u>	<u>\$ 3,140,811</u>
<b>Labor Management Program (7910)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 77,556	\$ 68,881	\$ 57,677	\$ 88,760
Accrued interest receivable	63	499	408	154
	<u>\$ 77,619</u>	<u>\$ 69,380</u>	<u>\$ 58,085</u>	<u>\$ 88,914</u>
Accounts payable	\$ 1	\$ 40,803	\$ 40,119	\$ 685
Accrued liabilities	828	873	828	873
Unallocated receipts	76,790	68,814	58,248	87,356
	<u>\$ 77,619</u>	<u>\$ 110,490</u>	<u>\$ 99,195</u>	<u>\$ 88,914</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued  
For the Year ended September 30, 2010

	Balance <u>Oct. 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>Sept. 30, 2010</u>
<b>CMH Client Funds (7930)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 368,775	\$ 3,719,600	\$ 3,751,168	\$ 337,207
	<u>\$ 368,775</u>	<u>\$ 3,719,600</u>	<u>\$ 3,751,168</u>	<u>\$ 337,207</u>
Accounts payable	\$ -	\$ 3,709,182	\$ 3,709,182	\$ -
Unallocated receipts	368,775	3,721,579	3,753,147	337,207
	<u>\$ 368,775</u>	<u>\$ 7,430,761</u>	<u>\$ 7,462,329</u>	<u>\$ 337,207</u>
<b>Muskegon Veterans Affairs (7940)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 110,330	\$ 383,280	\$ 356,834	\$ 136,776
Accounts receivable	-	15,977	14,202	1,775
Accrued interest receivable	126	1,090	838	378
	<u>\$ 110,456</u>	<u>\$ 400,347</u>	<u>\$ 371,874</u>	<u>\$ 138,929</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,300	\$ 312,338	\$ 311,731	\$ 6,907
Unallocated receipts	104,156	357,567	329,701	132,022
	<u>\$ 110,456</u>	<u>\$ 669,905</u>	<u>\$ 641,432</u>	<u>\$ 138,929</u>
<b>Orchard View (7982)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 35,559	\$ 183	\$ 443	\$ 35,299
Accrued interest receivable	31	218	183	66
	<u>\$ 35,590</u>	<u>\$ 401</u>	<u>\$ 626</u>	<u>\$ 35,365</u>
<b>LIABILITIES</b>				
Unallocated receipts	\$ 35,590	\$ 219	\$ 444	\$ 35,365

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2010

	Balance Oct. 1, 2009	Additions	Deductions	Balance Sept. 30, 2010
<b>TOTALS - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 12,908,183	\$ 187,128,816	\$ 185,517,924	\$ 14,519,075
Accounts receivable	1,680,346	2,390,590	2,739,073	1,331,863
Accrued interest receivable	4,486	34,470	27,684	11,272
	<u>\$ 14,593,015</u>	<u>\$ 189,553,876</u>	<u>\$ 188,284,681</u>	<u>\$ 15,862,210</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 18,603	\$ 68,350,066	\$ 67,688,215	\$ 680,454
Accrued liabilities	623,432	309,807	730,479	202,760
Undistributed current and delinquent taxes	7,899,572	79,749,644	79,240,009	8,409,207
Intergovernmental payable	487,922	5,849,747	5,465,172	872,497
Fines and fees due to local municipalities and libraries	24,282	287,610	289,400	22,492
Trust deposits	622,549	20,675,126	20,943,455	354,220
Unallocated receipts	4,916,655	90,642,149	90,238,224	5,320,580
	<u>\$ 14,593,015</u>	<u>\$ 265,864,149</u>	<u>\$ 264,594,954</u>	<u>\$ 15,862,210</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 191

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 200

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

### Debt Capacity 204

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 209

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

### Operating Information 211

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>2010</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>
Governmental Activities										
Invested in capital assets, net of related debt	\$42,009	\$40,463	\$41,019	\$40,455	\$41,018	\$39,164	\$42,253	\$42,415	\$41,674	\$38,030
Restricted	6,738	11,339	16,845	12,686	18,876	21,604	16,160	7,444	10,581	9,288
Unrestricted	<u>17,823</u>	<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>
Total governmental activities net assets	<u>\$66,570</u>	<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>
Business-type activities										
Invested in capital assets, net of related debt	\$104,265	\$117,230	\$97,018	\$98,080	\$91,214	\$85,437	\$84,950	\$83,729	\$74,190	\$84,257
Restricted	4,186	4,119	3,783	2,021	2,594	3,464	1,917	3,670	8,947	9,443
Unrestricted	<u>21,168</u>	<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>
Total business-type activities net assets	<u>\$129,619</u>	<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>Primary government</u>										
Invested in capital assets, net of related debt	\$146,274	\$157,693	\$138,037	\$138,535	\$132,232	\$124,601	\$127,203	\$126,144	\$115,864	\$122,287
Restricted	10,924	15,458	20,628	14,707	21,470	25,068	18,077	11,114	19,528	18,731
Unrestricted	<u>38,991</u>	<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>
Total primary government net assets	<u>\$196,189</u>	<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>

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

	<b>Fiscal Year</b>									
	<u>2010</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>
<b>Expenses</b>										
Governmental Activities										
Judicial	\$8,659	\$8,531	\$8,437	\$8,333	\$8,173	\$7,801	\$7,704	\$7,463	\$7,031	\$6,387
General County Government	26,052	30,784	28,034	27,216	20,971	22,972	20,814	19,442	19,840	19,216
Public Safety	13,535	13,473	13,428	13,442	13,219	12,923	12,619	11,844	10,804	10,707
Health	113,484	113,687	108,059	113,300	109,598	103,897	103,018	112,286	89,691	105,304
Welfare	14,338	14,015	12,329	10,210	9,178	7,668	8,507	8,855	7,745	7,197
Other	2,350	2,774	2,661	2,199	2,983	3,247	3,279	3,378	3,185	3,075
Debt Service expenses	<u>692</u>	<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>179,110</u>	<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	0	1,325	3,600	3,526	794	3,988	3,267	1,194	1,196
Airport	2,494	2,530	2,493	2,424	2,474	2,764	2,131	2,763	2,685	2,408
Northside Water	3,756	4,554	3,169	2,381	693	358	377	920	388	267
Muskegon Area Transit System	4,034	3,314	3,288	3,294	3,384	3,217	3,115	3,360	3,063	2,563
Wastewater	15,029	17,162	16,531	14,608	15,023	15,155	14,604	14,418	13,559	14,725
Other Proprietary Funds	<u>6,374</u>	<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>31,687</u>	<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>\$210,797</u>	<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 Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**  
(Unaudited)

	<b>Fiscal Year</b>									
	<u>2010</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>
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
Judicial	\$2,596	\$2,716	\$2,996	\$3,277	\$2,949	\$2,919	\$2,929	\$2,507	\$2,469	\$2,456
General County Government	5,347	5,308	5,408	6,432	6,086	6,425	7,213	7,324	6,082	6,515
Public Safety	534	797	903	1,046	730	842	1,034	1,698	543	1,210
Health	86,948	83,648	84,614	76,698	72,247	74,835	78,776	85,638	66,121	82,372
Other Activities	1,265	1,348	1,134	1,656	1,408	1,738	1,047	36	1,095	1,006
Operating Grants and Contributions	35,831	34,476	34,958	35,229	33,518	30,783	33,629	32,283	33,340	30,573
Capital Grants and Contributions	<u>282</u>	<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>132,803</u>	<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	12,043	13,816	15,970	13,832	12,640	12,281	12,796	10,656	11,102	10,326
Other	11,037	12,366	9,117	8,700	7,618	6,521	4,401	6,362	5,824	4,788
Operating Grants and Contributions	2,506	4,116	6,111	5,215	2,982	2,828	4,904	2,416	2,371	1,991
Capital Grants and Contributions	<u>1,421</u>	<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>27,007</u>	<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>159,810</u>	<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>

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

	Fiscal Year									
	<u>2010</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>
<b>Net (expense)/revenue</b>										
Governmental Activities	(46,307)	(55,707)	(43,810)	(51,369)	(48,426)	(42,128)	(32,427)	(34,167)	(28,285)	(27,764)
Business-Type Activities	<u>(4,680)</u>	<u>7,898</u>	<u>4,138</u>	<u>6,610</u>	<u>(1,556)</u>	<u>611</u>	<u>274</u>	<u>(2,210)</u>	<u>4,961</u>	<u>(1,569)</u>
Total Primary Government net expense	<u>(\$50,987)</u>	<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</b>										
Governmental Activities										
Property Taxes	\$28,892	\$28,981	\$29,559	\$36,902	\$35,076	\$31,294	\$24,227	\$23,196	\$22,013	\$20,769
Investment Earnings	362	1,027	1,718	2,505	2,158	1,149	759	927	753	3,219
Other	<u>15,767</u>	<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>45,021</u>	<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	293	783	1,515	1,564	1,260	958	586	875	1,505	1,719
Other	<u>(1,190)</u>	<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>(897)</u>	<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>\$44,124</u>	<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	(\$1,286)	(\$8,816)	\$948	(\$4,244)	\$18,716	\$667	\$778	(\$237)	\$1,320	\$3,420
Business-Type Activities	<u>(5,577)</u>	<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>(\$6,863)</u>	<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>

*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>2010</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>
General fund										
Reserved	\$589	\$589	\$589	\$589	\$589	\$589	\$589	\$589	\$1,305	\$1,305
Unreserved	<u>8,597</u>	<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>
Total General fund	<u>\$9,186</u>	<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>
All other governmental funds										
Reserved	\$1,189	\$1,405	\$1,445	\$1,858	\$1,317	\$1,453	\$933	\$800	\$800	\$800
Unreserved, reported in:										
Special revenue funds	5,761	9,245	13,218	16,036	12,405	8,219	4,271	3,908	4,319	3,434
Debt Service	986	2,685	2,024	1,801	1,585	1,761	1,541	1,713	1,799	1,723
Capital projects funds <sup>(2)</sup>	5,402	8,103	11,113	7,661	14,026	5,404	3,451	3,201	5,085	4,684
Permanent funds	<u>47</u>	<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>
Total all other governmental funds	<u>\$13,385</u>	<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>

<sup>(2)</sup> 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>2010</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>
<b>Revenues</b>										
Taxes	\$28,892	\$28,981	\$29,559	\$36,902	\$35,076	\$31,294	\$24,226	\$23,196	\$22,013	\$20,769
Operating grants and contributions	35,831	34,476	34,958	35,229	33,518	30,783	33,629	32,283	33,478	31,576
Charges for services	95,624	92,835	88,447	87,132	83,420	84,748	89,003	95,231	74,926	90,546
Other	<u>8,947</u>	<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>
Total Revenues	<u>169,294</u>	<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>
<b>Expenditures</b>										
Judicial	8,636	8,503	8,410	8,294	8,136	7,758	7,663	7,420	6,990	6,326
General County Government	17,491	18,511	18,627	20,574	17,786	17,143	17,158	16,496	15,298	12,570
Public Safety	13,323	13,281	13,242	13,243	13,016	12,712	12,379	11,570	10,596	10,448
Health	114,349	113,626	107,987	112,990	109,301	100,254	101,563	110,357	89,440	103,256
Welfare	14,246	13,921	12,224	10,103	9,070	7,551	8,383	8,728	7,615	7,069
Other	2,142	2,569	2,453	1,987	2,598	3,017	3,047	3,158	3,015	2,908
Capital Outlay	2,753	5,876	1,422	1,706	1,132	3,918	1,310	3,434	6,563	7,751

# 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>2010</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>
Debt Service										
Principal	4,160	11,475	1,715	1,540	6,460	2,285	2,040	2,140	2,480	2,380
Interest	691	736	873	864	1,242	1,074	1,039	1,130	1,066	922
Other	<u>0</u>	<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>
Total Expenditures	<u>177,791</u>	<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>
Excess of revenues over (under)										
expenditures	(8,497)	(19,561)	(5,689)	(3,447)	(8,262)	309	306	(4,659)	(4,083)	(1,879)
Transfers in	16,388	17,594	16,136	17,066	15,506	15,249	11,410	14,681	11,283	11,161
Transfers out	(15,967)	(18,187)	(15,602)	(17,494)	(15,511)	(14,081)	(10,874)	(12,853)	(12,193)	(12,085)
Bonds/notes issued	4,315	13,875	6,000	995	20,580	5,000	-	-	6,500	6,500
Escrow Agent Payments	(4,356)	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	<u>23</u>	<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>
Total other financing sources (uses)	<u>403</u>	<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>
Net change in fund balances	<u>(\$8,094)</u>	<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>
Debt service as a percentage of										
noncapital expenditures	2.98%	6.73%	1.57%	1.51%	4.72%	2.27%	2.07%	2.06%	2.68%	2.29%

# 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>
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
2010	95,624	35,831	28,892	287	1,066	7,594	169,294

# ***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>
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
2010	27,778	841	273	28,892

# County of Muskegon

## PRINCIPAL PROPERTY TAXPAYERS

September 30, 2010 and nine years ago

(amounts express in thousands)

(Unaudited)

	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Consumers Energy	\$139,863	1	3.06 %	\$124,067	1	3.82 %
Howmet Corp (c/o Alcoa Co)	57,799	2	1.27	55,918	3	1.72
DTE Energy (Michcon)	28,489	3	0.62	29,115	4	0.90
Sun Chemical of Michigan LLC	23,105	4	0.51	23,167	5	0.71
Meijer Inc	20,141	5	0.44			
L3 Communications Corp	18,985	6	0.42			
Bayer Cropscience	18,400	7	0.40	16,278	6	0.50
THF Fruitport Development LP	17,641	8	0.39			
Diversified Machine Montague Inc.	15,790	9	0.35			
Johnson Technology Inc.	7,316	10	0.16			
Sappi Paper Products				61,861	2	1.91
Anglo American Clay Corp				15,005	7	0.46
THF Fruitport Dev LP				11,735	8	0.36
Lorin Industries				11,479	9	0.35
Lomac Inc.				<u>11,057</u>	10	<u>0.34</u>
Totals	<u>\$347,529</u>		<u>7.61</u> %	<u>\$359,682</u>		<u>11.09</u> %

Source: Equalization Department

# County of Muskegon

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

## DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	County Veterans/ Museum/Central Dispatch			City/Township/Village			Overlapping Rates School Districts/Authorities/College			Grand Total
	Operating	Debt	Total Millage	Operating	Debt	Total Millage	Operating	Debt	Total Millage	Direct & Overlap Rates
	Millage(1)	Millage(2)		Millage	Millage		Millage(3)	Millage		
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
2010	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 Direct Tax Rate	Percentage of Taxable to Assessed Value	Total Cash Value
	Real Property	Personal Property	Total Assessed	Real Property	Personal Property	Total Taxable			
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
2010	4,798	422	5,220	4,142	422	4,564	6.70	87.43%	10,440

Source: Equalization Department

**County of Muskegon**

**PROPERTY TAX LEVIES AND COLLECTIONS**

*Last Ten Fiscal Years*

*(amounts expressed in thousands)*

(Unaudited)

<b>Ended</b>	<b>Total Tax Levy for</b>	<b>Collected within the</b>		<b>Collections in</b>	<b>Total Collections to Date</b>		
		<b>Fiscal Year of the Levy</b>			<b>Subsequent Years</b>	<b>Amount</b>	<b>% of Levy</b>
		<b>Amount</b>	<b>% of Levy</b>				
<b>September 30</b>	<b>Fiscal Year</b>						
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%	1,846	24,467	100.0%	
2008	25,301	23,307	92.1%	1,536	24,843	98.2%	
2009	25,709	24,173	94.0%	239	24,412	95.0%	
2010*	24,820	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			
2010	\$13,910	\$31,020	\$10,870	\$89,542	\$0	\$14,500	\$159,842	5.23%	\$939.14
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

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

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

# County of Muskegon

## RATIO OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(amounts express in thousands, except per capita amount)

(Unaudited)

<u>Fiscal year</u>	General Obligation <u>Bonds</u>	Less: Amounts Available in Debt <u>Service Fund</u>	<u>Total</u>	Percentage of Estimated Actual Taxable Value of <u>Property</u>	Per <u>Capita</u>
2010	\$13,910	\$986	\$12,924	0.32%	\$75.93
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

# County of Muskegon

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2010

(Unaudited)

	Net Debt <u>Outstanding</u>	Percentage Applicable to this Governmental <u>Unit<sup>1</sup></u>	Share of <u>Debt</u>
County Issued Bonds Paid by Local Municipalities	\$31,020,000	100%	\$31,020,000
County at Large	114,322,314	100	114,322,314
Tax Anticipation Notes	<u>14,500,000</u>	100	<u>14,500,000</u>
Direct Debt	159,842,314		159,842,314
 Muskegon Community College & Intermediate School Districts	 20,915,000	 72%	 14,994,938
School Districts	620,360,631	62	385,897,232
Cities, Villages and Townships	90,140,000	100	90,140,000
White Lake District Library	<u>1,065,000</u>	100	<u>1,065,000</u>
Overlapping Debt	732,480,631		492,097,170
 Total Direct and Overlapping Debt	 <u>\$892,322,945</u>		 <u>\$651,939,484</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>2010</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>
Debt Limit (a)	\$522,120	\$548,943	\$566,879	\$554,383	\$529,516	\$505,360	\$484,014	\$459,402	\$428,427	\$389,651
Total net debt applicable to limit (b)	<u>140,510</u>	<u>134,787</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>
Legal debt margin available	\$381,610	<u>\$414,156</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>
Total net debt applicable to limit as a percentage of debt limit (b) / (a)	26.91%	24.55%	18.49%	18.03%	15.45%	9.80%	10.64%	11.92%	12.15%	12.65%
County net debt limit as a percentage of total State Equalized Value (1)	2.69%	2.46%	1.85%	1.80%	1.55%	0.98%	1.06%	1.19%	1.22%	1.26%

### Legal Debt Margin Calculation for Fiscal Year 2010

State equalized value	<u>\$5,221,199,500</u>
Debt limit(10% of SEV)	522,119,950
Debt applicable to limit:	
Total bonded debt	159,842,314
Other debt	<u>0</u>
Total applicable debt	159,842,314
Less amount available for debt retirement	<u>19,332,431</u>
Total County net debt limit (1)	<u>140,509,883</u>
Legal Debt Margin available	<u>\$381,610,067</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	
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
2010	5,536	91	5,445	3,675	1,822	99.05	925	2,760	0	33.51

(1) Total revenues including interest

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

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

## County of Muskegon

### PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

(Unaudited)

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total county employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total county employment</u>
Mercy Health Partners	3,575	1	4.43	2,200	2	2.73
Howmet Corp.	1,900	2	2.35	2,500	1	3.10
County of Muskegon	1,300	3	1.61	1,425	4	1.77
L3 Communications	600	4	0.74			
Wesco, Inc.	500	5	0.62			
Johnson Technology, Inc.	474	6	0.59	525	10	0.65
ADAC Automotive	400	7	0.50			
Eagle Group	395	8	0.49			
Meijers, Inc	380	9	0.47	1,100	5	1.36
Diversified Machining	270	10	0.33			
Hackley Hospital				1,700	3	2.11
Muskegon Public Schools				985	6	1.22
Dana Corporation				800	7	0.99
Sappi Fine Paper				700	8	0.87
The Knoll Group				600	9	0.74

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			
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	30,977	16.0%
2010*	175,000	4,148,725	23,707	35.5	NA	15.0%

\* 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>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>2010</u></b>
Police										
Bookings	9,096	8,953	9,049	9,343	9,815	10,343	11,083	10,475	9,567	8,743
Traffic Stops	3,104	3,837	4,283	3,521	3,087	2,447	2,836	2,025	2,135	1,964
Verbal Warnings	1,862	2,094	1,892	1,706	1,683	1,100	1,082	1,421	1,747	2,130
Citations	3,654	4,391	4,329	2,851	2,491	2,039	2,460	2,082	1,393	1,721
Sanitation										
Refuse collected (tons)	89,186	76,026	67,573	60,256	88,971	126,994	125,775	147,484	104,984	128,850
Recyclables collected (tons)	92	89	69	77	66	39	22	16	18	79
Water										
New Connections	-	886	941	995	1,033	106	152	91	70	194
Average daily consumption (thousands of gallons)	347	348	380	374	483	406	680	560	1,108	520
Wastewater										
Avg daily sewage treatment (gallons)	28	25	25	26	23	20	20	20	16	13
District Court										
Cases Filed	46,416	48,193	45,766	43,554	44,573	45,275	48,304	47,631	42,527	39,993
Cases Disposed	47,977	55,210	51,708	51,932	46,915	45,036	48,431	47,584	45,331	40,937
Cases Pending	14,101	8,069	8,083	5,800	6,183	6,607	6,450	7,036	4,571	13,915

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>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>2010</u></b>
<b><u>Administration</u></b>										
Administrator	8	9	9	9	9	9	9	9	8	9
Accounting	12	12	12	11	11	10	10	9	9	9
Human Resources	6	6	6	5	5	5	5	5	6	6
Purchasing	4	4	4	4	4	4	4	4	3	3
Office Services	4	4	4	5	5	5	3	3	3	3
Information Systems	12	12	11	8	8	8	8	8	8	8
Employment and Training	21	21	22	21	21	22	23	23	23	24
Corporate Counsel	-	-	3	3	3	-	-	-	-	-
Risk Management	<u>7</u>	<u>8</u>	<u>9</u>	<u>9</u>						
Total	74	76	79	74	74	71	70	69	69	71
<b><u>DPW - Transportation and Planning</u></b>										
Public Works	1	1	1	1	-	-	-	-	-	-
Airport	16	16	20	15	15	14	13	13	12	13
Transit	43	45	46	46	46	47	46	46	46	46
Wastewater	81	81	81	81	65	59	57	57	57	57
Regional Water System	-	-	-	-	-	2	2	2	2	2
Solid Waste	10	11	11	14	14	13	13	13	13	12
Solid Waste - Fly Ash	<u>4</u>	<u>4</u>	<u>4</u>	<u>1</u>						
Total	155	158	163	158	141	136	132	132	131	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>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>2010</u></b>
County Clerk - Circuit Court Records	7	8	8	8	8	8	9	9	9	9
Equalization	22	23	23	22	22	22	22	25	24	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
Drain Commission	4	4	5	5	5	5	5	5	4	4
MSU - Cooperative Extension	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>						
Total	60	62	63	61	61	61	62	65	63	63

**Judicial Administration**

Circuit Court	19	19	19	19	19	23	24	22	22	22
District Court	54	56	56	58	58	61	61	61	60	60
District Court - Probation Assessment	2	2	2	2	2	2	2	2	2	2
Family Court - FOC Division	42	42	41	46	45	46	46	46	47	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	2
Family Court - FOC Welfare Support	1	1	1	1	-	-	1	1	1	1
Family Court - Juvenile Division	19	19	18	17	15	17	17	15	16	16
Family Court - Juvenile Division Program	1	-	-	-	-	-	-	-	-	-
Family Court - Juvenile In Home Intensive	13	13	13	14	14	14	12	13	13	13
Family Court - Re-Entry Initiative	-	-	3	3	3	2	1	-	-	-
Family Court - Special Improvement Project	-	-	3	3	-	-	-	-	-	-
Probate Court	<u>7</u>									
Total	161	162	165	172	166	175	174	170	171	171

**Legislative**

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

<b>Function</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>2010</u></b>
Board of Commissioners	<u>9</u>	<u>9</u>	<u>11</u>							
Total	9	9	11	11	11	11	11	11	11	11
<b><u>Libraries and Recreation</u></b>										
Library	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>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>8</u>	<u>8</u>
Total	68	69	68	68	69	56	68	29	30	30
<b><u>Maintenance</u></b>										
Courthouse-Grounds	<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>	<u>16</u>
Total	24	24	22	14	14	14	16	18	16	16
<b><u>Public and Mental Health</u></b>										
Health	110	110	87	79	81	85	85	86	87	87
Mental Health	<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>	<u>346</u>
Total	431	434	411	407	404	412	414	419	428	433
<b><u>Public Safety</u></b>										
Prosecutor	20	20	21	20	20	21	21	20	21	21
Prosecutor - Cooperative Reimbursement	5	5	6	6	6	5	5	5	4	4
Prosecutor - Crime Victims Rights	4	4	3	4	4	4	4	4	4	4
Prosecutor - Family Court FIA Grant	3	3	3	3	3	3	3	3	3	3
Prosecutor - Juvenile Accountability Incentive	2	2	1	1	1	1	1	1	1	-
Prosecutor - Community Gun Violence	-	-	2	2	2	-	-	-	-	-
Prosecutor - Project Cornerstone	2	2	2	-	-	1	1	1	-	-
Sheriff - Operations	108	108	115	115	118	122	124	123	124	125

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

<b>Function</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>2010</u></b>
Sheriff - Road Patrol Grant	2	2	2	2	2	2	2	2	-	-
Sheriff - School Liaison Grant	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	8
Sheriff - Township Patrols	5	5	5	5	4	3	3	2	2	2
Community Corrections	8	8	8	8	8	8	5	8	8	8
Emergency Services	<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>	<u>2</u>
Total	171	172	181	179	180	191	187	188	185	185
<b><u>Social Services</u></b>										
Child Haven	16	16	16	16	16	16	16	16	16	16
Brookhaven	243	244	244	239	239	239	242	274	270	268
Juvenile Detention Center	<u>26</u>	<u>26</u>	<u>26</u>	<u>27</u>						
Total	285	286	286	282	282	282	285	317	313	311
<b>GRAND TOTAL</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>	<b><u>1,422</u></b>

Source: Budget Department

# County of Muskegon

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

	<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>	<u>2010</u>
<b>Function</b>										
Public Safety Police										
Jail	1	1	1	1	1	1	1	1	1	1
Patrol Units	24	27	27	28	25	25	24	24	25	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	352	352	352	362	362	362	377	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	42,000	42,000	42,000	42,000
Airport	157	139	143	119	129	129	118	91	66	63
Capacity (thousand of passengers)										
Transit	18	15	18	15	15	18	22	22	17	17
Number of buses										
Solid Waste	934	934	2,654	3,100	3,100	3,100	3,778	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 18, 2011

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”) as of and for the year ended September 30, 2010, and have issued our report thereon dated January 13, 2011. 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 September 21, 2010, 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 discussion about planning matters on December 1, 2010.

### **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 cost is based on percentage of landfill capacity used to date and future expected costs.
- The assumptions used in the actuarial valuations of the Municipal Employees Retirement System and Other Postemployment Benefit Plans are based on historical trends and industry standards.

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. Management has corrected all such misstatements. The following material misstatement detected as a result of audit procedures was corrected by management:

- Accrual for post-closure costs in the Fly Ash Program fund was originally omitted from the general ledger

*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 18, 2011.

*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 entity'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 County of Muskegon and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Rehmann Johnson". The signature is written in a cursive style with a large, prominent initial "R".

## County of Muskegon

### Attachment A - Consideration of Internal Control Over Financial Reporting

For the Year Ended September 30, 2010

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In planning and performing our audit of the financial statements of the County of Muskegon (the "County") as of and for the year ended September 30, 2010, 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 Single Audit report.

#### **Other Matters**

##### *Outstanding Checks in Reconciliations*

During our audit, we noted a number of outstanding checks on various bank account reconciliations (including the inmate fund) which have been outstanding for over a year. State unclaimed property law requires that unclaimed and outstanding payroll items be remitted to the State's unclaimed property division after a period of one year. Unclaimed and outstanding disbursement checks should be remitted to the State after a period of five years.

##### *Recommendation*

We recommend the County periodically review listings of outstanding checks and investigate with vendors or employees, if appropriate, why they did not cash the checks. As a last resort, remit unclaimed amounts to the State in accordance with state law.

##### *Maintenance of Capital Asset Records*

During our audit, we noted that several current year capital asset cost additions were coded to existing asset tag numbers originally entered in the County's Access database in the prior year(s), rather than set up as new asset tags. Although no misstatements were identified, this did result in additional audit time in this area.

# County of Muskegon

## Attachment A - Consideration of Internal Control Over Financial Reporting

For the Year Ended September 30, 2010

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### *Recommendation*

In order to improve the audit trail for capital assets, we recommend the County add assets to the Access database only when all costs have been incurred, or to use new tag numbers for any subsequent year additions. This will help in tracking additions for each fiscal year. In addition, we recommend all invoices for capital asset acquisitions be maintained in a centralized file throughout the year.

### *Appropriate Use and Administration of Agency Funds*

The County holds various amounts in a fiduciary capacity in its agency funds. Such amounts should generally be supported by subsidiary ledgers which indicate the individual(s) or case(s) for which the funds are held. During our audit, we selected a sample of agency fund balances and requested subsidiary detail to support the amounts. For the Sheriff Inmates Trust Monies and Inmates Funds Outside County accounts, we noted that the system used to account for funds can provide a specific individual's balance at any point in time, but cannot produce a complete detail of all amounts held on behalf of inmates, which significantly hampers the County's ability to properly reconcile this account.

### *Recommendation*

We recommend that the County implement a procedure to ensure that subsidiary detail for all significant accounts is generated and retained each month and reviewed by an independent administrator.

### *New Accounting Pronouncement – GASB 54*

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which will be effective for the County for the fiscal year ending September 30, 2011. This Statement changes the classifications of fund balance in governmental funds, and somewhat modifies the definition of special revenue funds for external financial reporting.

Under GASB 54, special revenue funds should be used only to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than those accounted for in debt service or capital projects funds). These specific revenue sources must be external (i.e., interfund transfers do not qualify), and must comprise a substantial portion of the fund's ongoing inflows. Funds no longer meeting this definition will need to be collapsed into the general fund (at least for external financial reporting purposes).

## **County of Muskegon**

### **Attachment A - Consideration of Internal Control Over Financial Reporting**

**For the Year Ended September 30, 2010**

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In addition, the standard specifies that the term “designated fund balance” will no longer be used. Instead, funds can either be “committed” (by formal action of the governing body prior to the end of the fiscal year) or “assigned” (by the governing body or its designee, at any time prior to audit issuance). As with any new accounting standard, other issues are sure to arise during its implementation, and we will continue to monitor emerging best practices in this area. In the meantime, if you have any questions or concerns, please do not hesitate to contact us.

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