

County of
Muskegon,
Michigan



Year Ended
September 30,
2011

Comprehensive
Annual Financial
Report



County of Muskegon, Michigan

Comprehensive Annual Financial Report
For the year ended September 30, 2011

*Prepared by
Department of Finance and Management Services/Accounting*

*Heath Kaplan
Director of Finance and Management Services*

*Dwight D. Avery, CPA
Accounting Manager*

COUNTY OF MUSKEGON, MICHIGAN

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INTRODUCTORY SECTION

COUNTY OF MUSKEGON, MICHIGAN

PRINCIPAL OFFICIALS

For the Year Ended September 30, 2011

BOARD OF COMMISSIONERS

Kenneth Mahoney, Chair (District 1)
I. John Snider II, Vice-Chair (District 3)

Alan W. Jager (District 2)	Lewis J. Collins (District 6)	Rillastine R. Wilkins (District 9)
James J. Derezenski (District 4)	Scott Plummer (District 7)	Benjamin E. Cross (District 10)
Marvin R. Engle (District 5)	Anthony T. Longmire (District 8)	Robert Scolnik (District 11)

JUDICIARY

14th Circuit Court Judges

William C. Marietti*, Chief Judge
James M. Graves Jr., Pro-Tem
John C. Ruck*
Timothy G. Hicks

* Family Division Judge also

60th District Court Judges

Harold F. Closz III, Chief Judge
Andrew J. Wierengo III, Pro-Tem
Michael J. Nolan
Maria Ladas Hoopes

Probate Court Judges

Neil G. Mullally*
Gregory C. Pittman*

OTHER ELECTED OFFICIALS

Dean C. Roesler
County Sheriff

Tony Moulatsiotis
County Treasurer

Tony D. Tague
Prosecutor

Mark F. Fairchild
Register of Deeds

Stephen V. Vallier
County Surveyor

Nancy A. Waters
County Clerk

David S. Fisher
Drain Commissioner

ADMINISTRATION

Bonnie Hammersley
County Administrator

Heath Kaplan
Director of Finance and Management Services

MUSKEGON COUNTY

M I C H I G A N

March 30, 2012

To the Citizens, Administrator Bonnie Hammersley and
the Board of Commissioners of the County of Muskegon:

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 (CAFR) of Muskegon County for the fiscal year ended September 30, 2011.

Management Responsibility

This report consists of management's representations concerning the finances of Muskegon County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Muskegon County 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 Muskegon County financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Muskegon County 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.

Independent Audit

The Muskegon County financial statements have been audited by Rehmann Robson, a firm of independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Muskegon County for the fiscal year ended September 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Muskegon County financial statements for the fiscal year ended September 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

BOARD OF COMMISSIONERS

Kenneth Mahoney
Chair, District 1

I. John Snider, II
Vice-Chair, District 3

Lewis J. Collins
District 6

Benjamin Cross
District 10

James J. Derezinski
District 4

Marvin R. Engle
District 5

Alan W. Jager
District 2

Anthony T. Longmire
District 8

Scott Plummer
District 7

Robert Scolnik
District 11

Rillastine R. Wilkins
District 9

COUNTY OF MUSKEGON
Comprehensive Annual Financial Report
Transmittal Letter for the year ended September 30, 2011

Profile of the Government

Muskegon County, incorporated in 1859, is located in the western part of the State of Michigan at the intersection of M31 and Interstate 96 along the shoreline of Lake Michigan. The County is a top tourist destination serving approximately 170,000 residents within an area of 527 square miles. The County is governed by an elected Board of Commissioners consisting of a Chairman and ten other Members. Muskegon County is empowered to levy a property tax on both real and personal property located within the County.

Policy-making and legislative authority are vested in the County Commission. The Commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the County Administrator. The County Administrator is responsible for carrying out the policies and ordinances of the County and for overseeing the day-to-day operations of the County. The Commissioners are elected on a partisan basis by district. Commission members serve two-year terms.

The Board of Commissioners adopts an annual budget. The annual budget serves as a foundation for Muskegon County's financial planning and control. A narrative of the budget process is presented in the notes to financial statements section of this report.

Reporting Entity and Services. As required by generally accepted accounting principles, these financial statements present Muskegon County and related component units. The individual component units are included in the County's reporting entity because of their operational or financial relationships with the County.

The County provides a full range of municipal services. These services include legislative, judicial, public safety (policy), health, mental health, welfare, culture, recreation, wastewater treatment, solid waste disposal, transportation (airport and bus services) and general administrative services. In addition to general government activities, because of the significance of their operational and financial relationship, the Muskegon County Road Commission, Muskegon County Office of the Drain Commissioner and the Muskegon County Land Bank are included in the reporting entity.

Factors Affecting Financial Condition

Local Economy. The geographical location of Muskegon County allows easy access to major highways, Lake Michigan shipping, ferry service to and from Milwaukee, Wisconsin and rail service. These transportation systems provide local manufacturers with access to regional, national and international markets. Significant employers located within the County includes aerospace, automotive and defense industry manufacturers, healthcare and college service providers and related industries. The tourism industry also continues to grow in and around Muskegon County with the County being the home to the only amusement park in Michigan and miles of Lake Michigan frontage.

While significantly impacted by Michigan's and the national economic decline, Muskegon County officials were aware that the County was not immune. County leaders had planned well for fluctuations in the economy by ensuring that an adequate "rainy day" fund was set aside. To date the budget stabilization fund has not been utilized but savings were realized through position vacancies, cutting costs, taking advantage of grant opportunities, and streamlining processes as a part of normal business practice. These preventive measures allowed us to weather the financial downturns at the state and national levels while our residents felt comparatively few bumps in the road.

Instead of waiting for the state to turn around, the County will be investing in its own economic turnaround by supporting the re-development of the County.

COUNTY OF MUSKEGON
Comprehensive Annual Financial Report
Transmittal Letter for the year ended September 30, 2011

Long-term Financial Planning and Initiatives. County employees currently participate in defined benefit and defined contribution retirement plans administered by the Municipal Employees Retirement System of Michigan (MERS). Financial statements for the County's pension plans are included as a component of the MERS annual reporting. The County also provides health care benefits for retirees which are funded through contributions to the County's Other Post-Employment Benefit plan (OPEB). Financial statements for the County OPEB plan are included within the financial statements of the County as an OPEB trust fund. It is the policy of the County to provide funding for the costs of post-employment benefits based on actuarial funding requirements.

The County has implemented a comprehensive program analysis and evaluation process to identify ways of increasing efficiencies and streamlining County operations. Information technology infrastructure has been evaluated and upgraded with a planned upgrade of the Enterprise Resource Planning software (ERP).

Muskegon County has issued bonded debt for water, wastewater, equipment and facility infrastructure. Approximately \$30 million of outstanding debt at year end was issued to finance water and sewer infrastructure and improvements of local governments within the County. Financing of these local government improvements by the County is accounted for as a liability of the County and a lease receivable from the applicable local government. The County is in compliance with all requirements of outstanding debt.

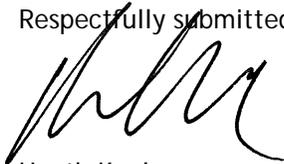
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Muskegon County for its comprehensive annual financial reporting for the fiscal year ended September 30, 2010. This was the 33rd consecutive year the County has received the award. This Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe this current report continues to conform to the Certificate of Achievement program requirements, and will be submitting it to GFOA to determine its eligibility for another certificate for the year ended September 30, 2011.

The preparation of this comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance and Management Services Department, as well as the staff throughout the County responsible for financial management and reporting, and the capable assistance of our independent auditors. Special thanks to Peter Haefner for his invaluable assistance with this document. Each participant has our sincere appreciation for the contributions made in the preparation of this report. In addition, we would like to recognize the County Board of Commissioners for its leadership and support in the management and reporting of the County.

Respectfully submitted,



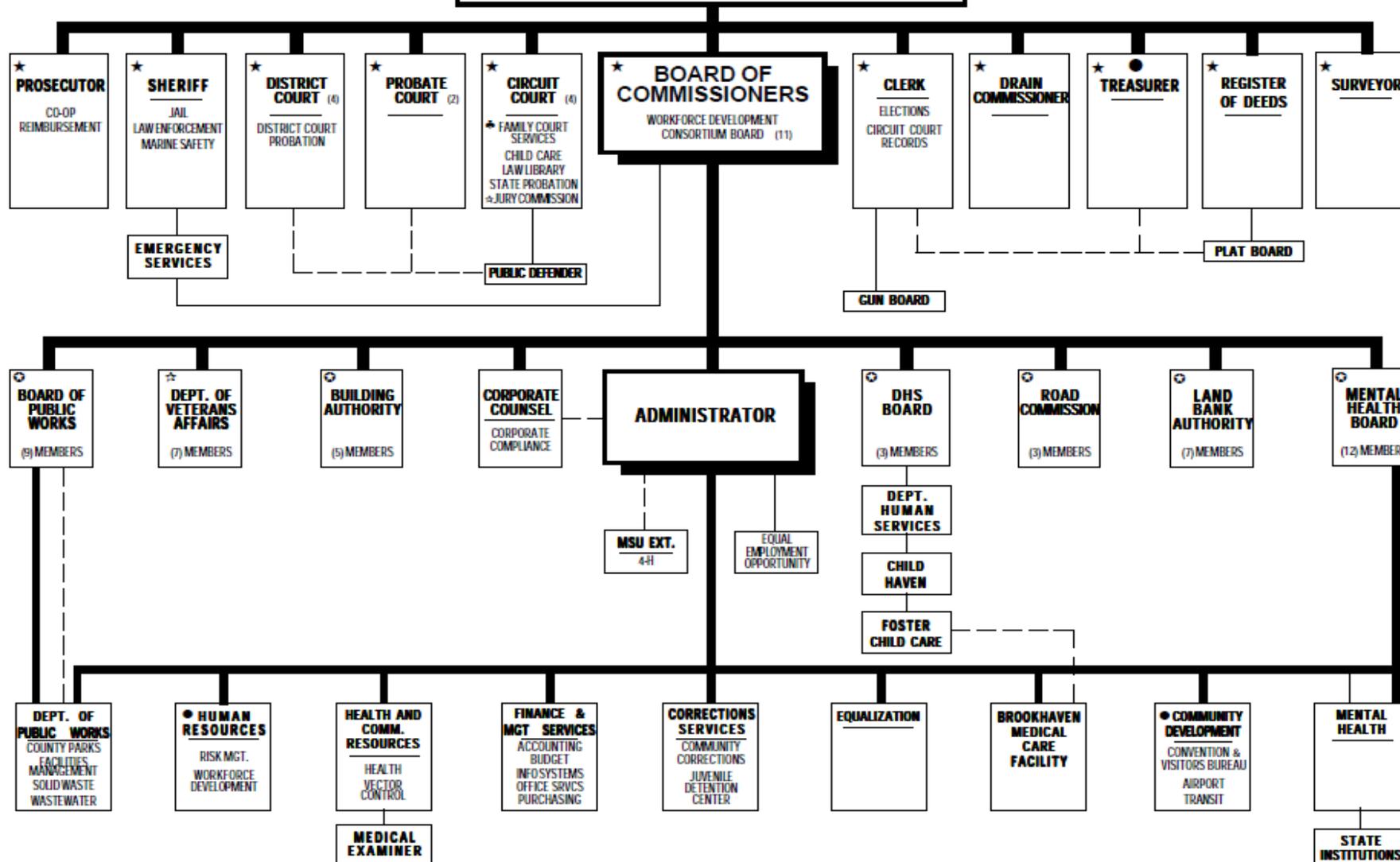
Heath Kaplan
Finance and Administrative Services Director



Dwight D. Avery, CPA
Accounting Manager

2011 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)

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, 2010

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

March 30, 2012

Honorable Members of the
Board of Commissioners
of the County of Muskegon, Michigan
Muskegon, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County'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, which represents 94 percent, 94 percent and 99 percent, respectively, of the assets, net assets and revenues of the discretely presented component units. In addition, we did not audit the financial statements of the Muskegon County Community Mental Health fund, which is both a major fund and 9 percent, 2 percent and 55 percent, respectively, of the assets, net assets and revenues of the governmental activities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Muskegon County Road Commission and Muskegon County Community Mental Health fund, is based on the reports 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 reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Muskegon, Michigan, as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and each major special revenue fund 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, under separate cover, our report dated March 30, 2012, on our consideration of the County of Muskegon, Michigan'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 on pages 3-10 and Schedules of Funding Progress and Employer Contributions for the pension and other postemployment benefit plans on pages 77-78 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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, Michigan's basic financial statements. The introductory and statistical sections and combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining and individual fund financial 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 presented in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections, as listed in the table of contents, 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.

As discussed in Note 16 to the financial statements, beginning net assets of governmental activities, business-type activities and component units as of October 1, 2010 have been restated.

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



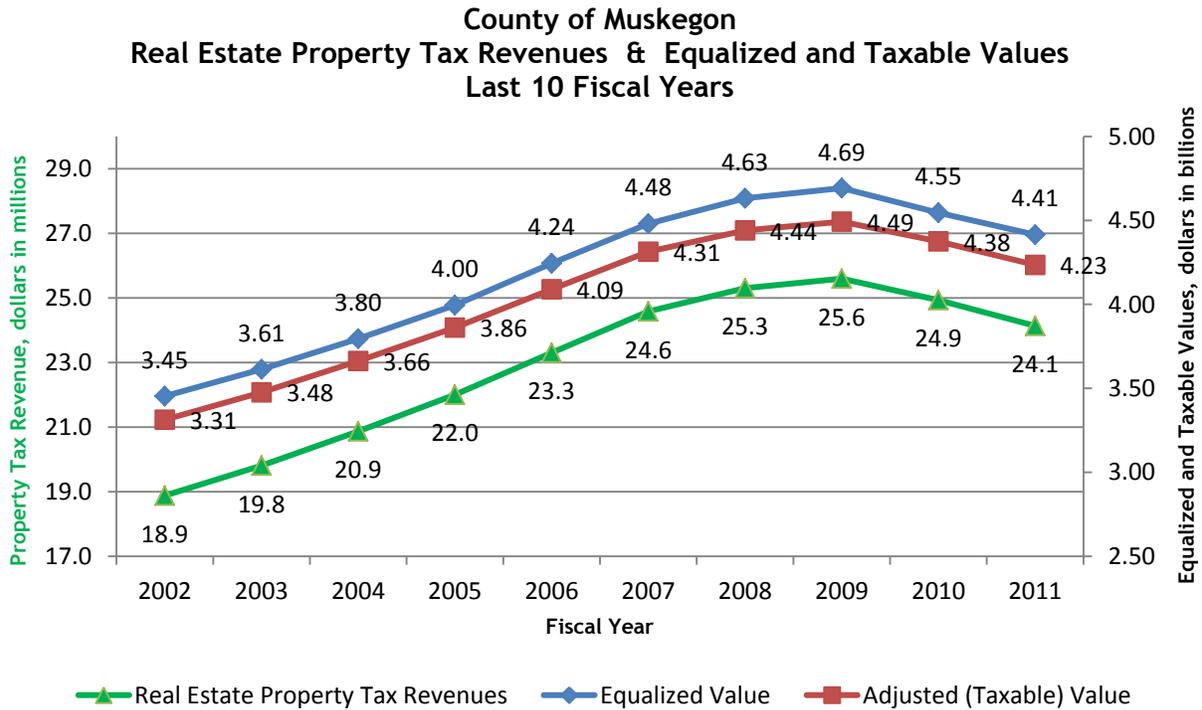
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management’s Discussion and Analysis

As management of Muskegon County (the County), we offer readers of the County’s financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter, which can be found in the introductory section of this report, and the County’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Property tax revenues from real estate declined from fiscal year 2010 approximately \$800,000, or 3.2%, which is the same as the percentage fall in adjusted taxable values.
- The County’s net assets decreased slightly by \$737,000, or 0.4%, as a result of this year’s operations. While net assets of governmental activities increased by about \$2.9 million, or 4.3%, net assets of business-type activities decreased by nearly \$3.6 million, or 2.7%.
- State revenue sharing was reinstated after six years when one-time property tax replacement funding was exhausted by the end of the fiscal year.
- Two sets of refunding bonds were issued during the year, with each resulting in net present value and future cash flow savings. The proceeds of \$4.685 million in Hall of Justice refunding bonds issued through the Muskegon County Building Authority advance refunded the outstanding \$4.72 million of Series 2002 Building Authority bonds. And \$12.38 million in Wastewater revenue refunding bonds advance refunded the remaining \$13.6 million of Series 2002 Wastewater bonds.
- Energy efficiency upgrades funded with \$7.14 million of bonds issued in fiscal year 2010 were completed.
- Three new federal-and-state-grant-funded replacement buses were purchased by the Muskegon Area Transit System (“MATS”).



OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary and statistical information in addition to the basic financial statements themselves.

Government-wide financial statements The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, legislative, public safety, health, welfare, culture, recreation, other and interest expense. The business-type activities of the County include local government public works financing, airport operations, Muskegon Area Transit System (MATS), regional water system, wastewater management system, Brookhaven Medical Care Facility, and other enterprise operations.

The government-wide financial statements include not only the County itself (known as the primary government), but also the legally separate Muskegon County Road Commission, drainage districts and the Muskegon County Land Bank for which the County is financially accountable. Information for these component units are reported separately from the financial information presented for the primary government itself.

Fund financial statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be 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 balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better 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 this comparison between governmental funds and governmental activities.

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 and Community Mental Health fund which are considered major funds. Data is combined into a single aggregated presentation for the other governmental funds (non-major governmental funds). Individual fund data for each of the non-major governmental funds is provided in the form of combining statements and schedules.

The County adopts an annual appropriated budget for its general fund and all special revenue funds as required by state law. Budgetary comparison statements have been provided for the major funds to demonstrate legal compliance.

Proprietary funds The County maintains fourteen separate enterprise 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 its local government public works financing, airport operations, Muskegon Area Transit System (MATS), regional water, wastewater, Brookhaven, as well as regional enterprise operations. Internal service funds are accounting devices used to accumulate and allocate costs internally among the County's various functions. The County utilizes internal service funds to account for its office services, south campus facilities management, sheriff garage, energy improvements, insurance and CMH ISF Risk. Because these services primarily benefit the County's governmental rather than business-type functions, 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 local government public works financing, airport operations, regional water, wastewater and Brookhaven which are considered to be major funds of the County. Conversely, nonmajor enterprise funds and internal service funds are combined into single, aggregate presentations in the proprietary fund financial statements.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements The notes provide additional information that is essential 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 presents certain required supplementary information. This is limited to this discussion and analysis, required pension and other post-employment benefit (OPEB) information. Supplemental information follows the required pension information and includes combining and individual fund statements and schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$196,204,001 at the close of the most recent fiscal year. The following chart illustrates the composition of net assets at September 30.

Net Assets

(dollars in thousands)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
ASSETS						
Current and other assets	\$ 51,057	\$ 53,009	\$ 89,177	\$ 90,197	\$ 140,234	\$ 143,206
Capital assets	66,213	65,550	189,464	195,031	255,677	260,581
Total assets	<u>117,270</u>	<u>118,559</u>	<u>278,641</u>	<u>285,228</u>	<u>395,911</u>	<u>403,787</u>
LIABILITIES						
Current and other liabilities	18,169	22,021	3,776	5,017	21,945	27,038
Long-term liabilities	30,366	30,660	147,396	149,148	177,762	179,808
Total liabilities	<u>48,535</u>	<u>52,681</u>	<u>151,172</u>	<u>154,165</u>	<u>199,707</u>	<u>206,846</u>
NET ASSETS						
Invested in capital assets, net of related debt	42,982	40,525	101,923	105,750	144,905	146,275
Restricted	3,593	5,901	-	2,898	3,593	8,799
Unrestricted	22,160	19,452	25,546	22,415	47,706	41,867
Total net assets	<u>\$ 68,735</u>	<u>\$ 65,878</u>	<u>\$ 127,469</u>	<u>\$ 131,063</u>	<u>\$ 196,204</u>	<u>\$ 196,941</u>

By far the largest portion of the County's net assets in the amount of 74% reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets in the amount of 2% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets in the amount of \$47,705,639, or 24%, may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, for the government as a whole, governmental activities, and the business-type activities.

Statement of Activities The County's total revenue for the fiscal year ended September 30, 2011, was approximately \$210.1 million while total cost of all programs and services was \$210.8 million. This results in a decrease in net assets of \$.7 million. The following table presents a summary of the changes in net assets for the years ended September 30:

Changes in Net Assets

(dollars in thousands)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
REVENUES						
Program revenues:						
Charges for services	\$ 14,701	\$ 13,612	\$ 42,465	\$ 38,788	\$ 57,166	\$ 52,400
Operating grants and contributions	109,975	106,759	3,622	1,809	113,597	108,568
Capital grants and contributions	-	-	1,065	1,227	1,065	1,227
General revenues:						
Property taxes	26,106	26,889	-	-	26,106	26,889
State Shared Revenue	3,601	192	-	-	3,601	192
Liquor control taxes	954	869	-	-	954	869
Lodging excise taxes	854	842	-	-	854	842
Investment earnings	222	282	359	283	581	565
Other	5,361	5,921	801	151	6,162	6,072
Total revenues	<u>161,774</u>	<u>155,366</u>	<u>48,312</u>	<u>42,258</u>	<u>210,086</u>	<u>197,624</u>
PROGRAM EXPENSES						
General government	16,871	16,706	-	-	16,871	16,706
Legislative	545	444	-	-	545	444
Judicial	8,443	8,649	-	-	8,443	8,649
Public safety	13,759	13,359	-	-	13,759	13,359
Health	105,761	102,097	-	-	105,761	102,097
Welfare	11,582	14,248	-	-	11,582	14,248
Cultural	788	365	-	-	788	365
Recreation	783	590	-	-	783	590
Other	1,133	450	-	-	1,133	450
Interest	721	692	-	-	721	692
Local government public works financing	-	-	1,465	1,097	1,465	1,097
Airport operation	-	-	2,822	2,494	2,822	2,494
Regional water	-	-	3,036	3,133	3,036	3,133
Wastewater management system	-	-	17,373	15,097	17,373	15,097
Brookhaven medical care facility	-	-	17,253	15,333	17,253	15,333
Other	-	-	8,488	9,788	8,488	9,788
Total program expenses	<u>160,386</u>	<u>157,600</u>	<u>50,437</u>	<u>46,942</u>	<u>210,823</u>	<u>204,542</u>
Increase (decrease) before transfers	1,388	(2,234)	(2,125)	(4,684)	(737)	(6,918)
Transfers in (out)	<u>1,469</u>	<u>1,033</u>	<u>(1,469)</u>	<u>(1,033)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ 2,857</u>	<u>\$ (1,201)</u>	<u>\$ (3,594)</u>	<u>\$ (5,717)</u>	<u>\$ (737)</u>	<u>\$ (6,918)</u>

Governmental Activities The preceding table shows that the governmental activities increased the County's net assets by approximately \$2.9 million during this fiscal year. The increase is primarily the result of transfers from business type activities to governmental activities and state revenue sharing received in 2011.

Business-type Activities Business-type activities decreased the County's net assets by approximately \$3.6 million during the year. This decrease is primarily the result of transfers from enterprise to governmental activities and significant depreciation recorded in the wastewater fund on previous capital purchases.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$19.7 million, a decrease of \$2.1 million from the prior year. This was primarily due to transfers out of the public improvement fund utilized to subsidize other county funds.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance was approximately \$8.2 million. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 18% of total general fund expenditures and transfers out.

Proprietary funds The County's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Muskegon County enterprise operations consist of 14 separate and distinct activities. The enterprise funds provide service to most residents and businesses of the County. The local government public works financing fund operates on a breakeven basis. The airport fund reported an increase in net assets as a result of grant funding received for improvements and positive transfer in from other funds. The regional water system fund reported an increase in net assets due to charges for services exceeding operating costs. The wastewater fund reported a significant decrease in net assets as a result of significant depreciation expense on past improvements. Total net assets of enterprise funds decreased by approximately \$3.6 million during the year.

Budgetary Highlights Several budget amendments were made during the year to adjust for unexpected revenues or expenditures.

General Fund:

- Property tax revenue estimates were reduced to reflect lower collections while taxes on industrial facilities exceeded expectation.
- State revenue estimates were reduced while actual receipts exceeded expectations due to additional sale tax collections at the state level.
- Public safety expenditures exceeded expectations due to higher than budgeted salary and fringe benefit costs.
- Estimated other expenditures were increased primarily to reflect the planning phase of the ERP system implementation.

Community Mental Health Fund:

- State revenue estimates which primarily represent Medicaid funding were initially based on best estimates while subsequent budget amendments increased these estimates and actual results exceeded final estimates.
- Contributions represent receipt of unexpended prior year Medicaid funding which was not expected but was received as the amend budget projected.
- Expected expenditures were increased to reflect increased affiliate funding as the result of increased state revenue noted above and additional contractual payments of \$1.6 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets The County's investment in capital assets for its governmental and business-type activities as of September 30 were as follows:

Capital Assets

(dollars in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Land and construction in progress	\$ 6,527	\$ 6,806	\$ 21,135	\$ 19,920	\$ 27,662	\$ 26,726
Depreciable capital assets	99,268	96,302	278,333	277,859	377,601	374,161
Accumulated depreciation	(39,581)	(37,558)	(110,004)	(102,748)	(149,585)	(140,306)
Capital assets, net of depreciation	<u>\$ 66,214</u>	<u>\$ 65,550</u>	<u>\$ 189,464</u>	<u>\$ 195,031</u>	<u>\$ 255,678</u>	<u>\$ 260,581</u>

Significant current year additions to governmental activities capital assets included energy efficiency improvements to County buildings and infrastructure while additional busses were added to the Muskegon Area Transit System (MATS).

More detailed information about the County's capital assets is presented in note 7 to the financial statements.

Long-term debt At the end of the current fiscal year, the County had total long-term debt, including compensated absences as follows:

Outstanding Debt

(dollars in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Bonds	\$ 23,560	\$ 24,780	\$ 117,090	\$ 120,643	\$ 140,650	\$ 145,423
Delinquent tax notes	-	-	15,500	14,500	15,500	14,500
Other debt	95	-	12,591	12,210	12,686	12,210
Deferred costs, premium/discount	(184)	-	486	-	302	-
Compensated absences	6,895	5,880	1,729	1,795	8,624	7,675
	<u>\$ 30,366</u>	<u>\$ 30,660</u>	<u>\$ 147,396</u>	<u>\$ 149,148</u>	<u>\$ 177,762</u>	<u>\$ 179,808</u>

Muskegon County Building Authority Hall of Justice bonds and wastewater revenue bonds of approximately \$17,000,000 were advanced refunded during the year with the proceeds of new bonds issued at a lower rate of interest. Delinquent tax notes outstanding at year end increased by \$1,000,000 from fiscal year 2010.

The County debt limit, as defined by statute, is ten percent (10%) of state equalized property values, which makes the debt limit currently approximately \$494 million. Total County long-term debt subject to this limit is approximately \$156 million.

Additional information on the County's long-term debt can be found in note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors were considered in preparing the County's budget for the 2012 fiscal year:

- Changes in employee and retiree health care plans resulted in planned savings of 11.6%.
- Employees are expected to pay 15% of medical insurance costs.
- Scheduled implementation of the enterprise resource planning software (ERP)
- Revenues were estimated based on continued decline in property values, fewer grant opportunities in Public Safety and interest rates remaining low.
- Expenditures were estimated based on contract negotiation settlements and collaborative sharing opportunities.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance and Management Services, Muskegon County, 990 Terrace St, Muskegon, MI 49442.

BASIC FINANCIAL STATEMENTS

COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Assets September 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 34,115,483	\$ 33,965,118	\$ 68,080,601	\$ 3,178,004
Receivables, net	13,133,929	55,721,516	68,855,445	3,691,219
Internal balances	3,075,584	(3,075,584)	-	-
Other assets	709,248	420,293	1,129,541	2,418,739
Restricted assets	-	1,845,513	1,845,513	-
Advances to component units	21,500	300,000	321,500	-
Capital assets not being depreciated	6,526,502	21,134,631	27,661,133	24,272,268
Capital assets being depreciated, net	59,687,142	168,329,152	228,016,294	44,032,761
Total assets	117,269,388	278,640,639	395,910,027	77,592,991
Liabilities				
Payables	11,402,445	1,637,355	13,039,800	848,983
Accrued liabilities	6,701,693	2,138,221	8,839,914	609,129
Advances from primary government	-	-	-	321,500
Unearned revenue	65,073	-	65,073	161,213
Long-term liabilities:				
Due within one year	4,606,336	18,001,903	22,608,239	454,600
Due in more than one year	25,759,246	129,393,754	155,153,000	551,007
Total liabilities	48,534,793	151,171,233	199,706,026	2,946,432
Net assets				
Invested in capital assets, net of related debt	42,982,166	101,922,705	144,904,871	67,648,117
Restricted for:				
Grant programs and other activities	3,090,524	-	3,090,524	-
Debt service	456,270	-	456,270	-
Nonexpendable endowments	46,697	-	46,697	-
Unrestricted	22,158,938	25,546,701	47,705,639	6,998,442
Total net assets	\$ 68,734,595	\$ 127,469,406	\$ 196,204,001	\$ 74,646,559

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Statement of Activities For the Year Ended September 30, 2011

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 16,872,165	\$ 5,292,991	\$ 1,317,086	\$ -	\$ (10,262,088)
Legislative	544,762	-	-	-	(544,762)
Judicial	8,442,768	3,304,632	2,998,808	-	(2,139,328)
Public safety	13,759,128	876,705	1,179,109	-	(11,703,314)
Health	105,761,268	3,713,880	92,659,375	-	(9,388,013)
Welfare	11,581,984	-	11,683,529	-	101,545
Cultural	788,383	-	64,655	-	(723,728)
Recreation	783,268	663,457	-	-	(119,811)
Other	1,133,014	490,548	72,657	-	(569,809)
Interest	720,861	359,088	-	-	(361,773)
Total governmental activities	160,387,601	14,701,301	109,975,219	-	(35,711,081)
Business-type activities:					
Local government public					
works financing	1,465,092	1,305,719	-	-	(159,373)
Airport operations	2,822,362	1,092,226	289,040	1,065,106	(375,990)
Regional water	3,036,222	3,218,801	181,322	-	363,901
Wastewater	17,372,441	13,816,397	-	-	(3,556,044)
Brookhaven Medical Care	17,253,412	15,512,922	-	-	(1,740,490)
Other enterprise funds	8,487,808	7,519,368	3,151,705	-	2,183,265
Total business-type activities	50,437,337	42,465,433	3,622,067	1,065,106	(3,284,731)
Total primary government	\$210,824,938	\$ 57,166,734	\$113,597,286	\$ 1,065,106	\$ (38,995,812)
Component units					
Road Commission	\$ 15,177,138	\$ 2,561,963	\$ 8,967,143	\$ 3,256,252	\$ (391,780)
Drainage Districts	176,434	41,696	57,051	-	(77,687)
Muskegon County Land Bank	326,752	10,985	-	-	(315,767)
Total component units	\$ 15,680,324	\$ 2,614,644	\$ 9,024,194	\$ 3,256,252	\$ (785,234)

Continued...

COUNTY OF MUSKEGON, MICHIGAN

Statement of Activities (Concluded) For the Year Ended September 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net revenue (expense)	\$ (35,711,081)	\$ (3,284,731)	\$ (38,995,812)	\$ (785,234)
General revenues:				
Property taxes	26,105,660	-	26,105,660	-
State shared revenue	3,601,188	-	3,601,188	-
Liquor control taxes	953,485	-	953,485	-
Lodging excise taxes	854,447	-	854,447	-
Unrestricted investment earnings	221,915	359,168	581,083	16,882
Gain of sale of capital assets	-	13,851	13,851	417,439
Other revenue	5,361,957	787,158	6,149,115	483,419
Transfers - internal activities	1,469,469	(1,469,469)	-	-
Total general revenues and transfers	38,568,121	(309,292)	38,258,829	917,740
Change in net assets	2,857,040	(3,594,023)	(736,983)	132,506
Net assets, beginning of year, as restated	65,877,555	131,063,429	196,940,984	74,514,053
Net assets, end of year	\$ 68,734,595	\$ 127,469,406	\$ 196,204,001	\$ 74,646,559

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Balance Sheet Governmental Funds September 30, 2011

	General Fund (1010)	Community Mental Health (2220)	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 3,378,746	\$ 8,810,088	\$ 6,498,968	\$ 18,687,802
Receivables, net:				
Accounts	525,143	1,237,946	302,261	2,065,350
Due from other governments	1,594,914	-	4,326,460	5,921,374
Accrued interest	42,494	-	7,728	50,222
Property taxes	3,915,708	-	-	3,915,708
Long-term notes	-	-	950,000	950,000
Prepaid and other items	-	171,880	-	171,880
Due from other funds	-	26,158	39,280	65,438
Inventories	-	-	24,325	24,325
Advances to other funds	2,892,118	-	-	2,892,118
Advances to component units	21,500	-	-	21,500
Total assets	\$ 12,370,623	\$ 10,246,072	\$ 12,149,022	\$ 34,765,717
Liabilities				
Negative equity in pooled cash	\$ -	\$ -	\$ 1,330,065	\$ 1,330,065
Payables:				
Accounts payable	390,563	2,945,412	3,286,626	6,622,601
Due to other governments	-	3,636,936	300,569	3,937,505
Accrued liabilities	654,829	-	307,579	962,408
Due to other funds	-	2,171,095	-	2,171,095
Deferred revenue	-	50,000	15,073	65,073
Total liabilities	1,045,392	8,803,443	5,239,912	15,088,747
Fund balances (Note 14)				
Nonspendable	2,913,618	171,880	1,021,464	4,106,962
Restricted	158,330	1,270,749	2,574,234	4,003,313
Committed	-	-	351,307	351,307
Assigned	-	-	2,962,105	2,962,105
Unassigned	8,253,283	-	-	8,253,283
Total fund balances	11,325,231	1,442,629	6,909,110	19,676,970
Total liabilities and fund balances	\$ 12,370,623	\$ 10,246,072	\$ 12,149,022	\$ 34,765,717

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
To Net Assets of Governmental Activities
September 30, 2011

Fund balances - total governmental funds \$ 19,676,970

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

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.

Capital assets not being depreciated	6,025,661
Capital assets being depreciated, net	48,742,351

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities.

Net assets of governmental activities accounted for in internal service funds	17,644,823
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Bonds and contracts payable	(16,515,000)
Unamortized deferred bond issuance costs	43,073
Unamortized deferred loss on bond refunding	184,200
Compensated absences	(6,850,286)
Accrued interest on long-term debt	(217,197)

Net assets of governmental activities \$ 68,734,595

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenue, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2011

	General Fund (1010)	Community Mental Health (2220)	Nonmajor Governmental Funds	Total Governmental Funds
Revenue				
Taxes	\$ 25,727,160	\$ -	\$ 2,515,353	\$ 28,242,513
Licenses and permits	38,519	-	-	38,519
Grants and contributions:				
Federal	1,962,800	405,344	13,938,937	16,307,081
State	5,305,932	82,603,294	8,198,526	96,107,752
Local	-	110,199	150,464	260,663
Charges for services	9,092,838	2,234,383	3,088,553	14,415,774
Fines and forfeitures	470,266	-	461	470,727
Investment income	166,924	23,335	31,656	221,915
Rentals	160,101	-	806,037	966,138
Contributions from private sources	-	2,108,096	6,768	2,114,864
Other	934,719	974,309	720,198	2,629,226
Total revenue	43,859,259	88,458,960	29,456,953	161,775,172
Expenditures				
Current:				
General government	16,046,124	-	1,441,134	17,487,258
Legislative	465,291	-	-	465,291
Judicial	8,207,418	-	370,798	8,578,216
Public safety	11,782,082	-	1,837,709	13,619,791
Health	-	86,831,249	18,622,683	105,453,932
Welfare	-	-	11,597,648	11,597,648
Cultural	149,881	-	82,179	232,060
Recreation	-	-	615,581	615,581
Other	1,126,959	-	500,607	1,627,566
Debt service:				
Principal	-	-	1,470,000	1,470,000
Interest and fiscal charges	-	-	739,158	739,158
Capital outlay	70,041	104,437	1,313,946	1,488,424
Total expenditures	37,847,796	86,935,686	38,591,443	163,374,925
Revenue over (under) expenditures	6,011,463	1,523,274	(9,134,490)	(1,599,753)

continued...

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenue, Expenditures and Changes in Fund Balances

Governmental Funds (concluded)

For the Year Ended September 30, 2011

	General Fund (1010)	Community Mental Health (2220)	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)				
Proceeds of refunding bonds	\$ -	\$ -	\$ 4,780,000	\$ 4,780,000
Payment to refunded bond escrow agent	-	-	(4,637,620)	(4,637,620)
Transfers in	3,886,921	719,976	9,166,652	13,773,549
Transfers out	(10,059,222)	(2,131,815)	(2,224,152)	(14,415,189)
Proceeds from sale of capital assets	-	-	7,422	7,422
Total other financing sources (uses)	<u>(6,172,301)</u>	<u>(1,411,839)</u>	<u>7,092,302</u>	<u>(491,838)</u>
Net change in fund balances	(160,838)	111,435	(2,042,188)	(2,091,591)
Fund balances, beginning of year, as restated	<u>11,486,069</u>	<u>1,331,194</u>	<u>8,951,298</u>	<u>21,768,561</u>
Fund balances, end of year	<u><u>\$ 11,325,231</u></u>	<u><u>\$ 1,442,629</u></u>	<u><u>\$ 6,909,110</u></u>	<u><u>\$ 19,676,970</u></u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
 To Change in Net Assets of Governmental Activities
 For the Year Ended September 30, 2011

Net change in fund balances - total governmental funds \$ (2,091,591)

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

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.

Capital outlay	2,011,100
Depreciation expense	(2,146,642)
Proceeds on the sale of capital assets	(7,422)
Gain on sale of capital assets	(8,222)

Debt proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Issuance of long-term debt	(4,780,000)
Payment to refunded bond escrow agent	4,637,620
Principal payments on long-term liabilities	1,470,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest payable on long-term debt	41,024
Amortization of deferred issuance costs	(4,307)
Amortization of deferred loss on refunding	(18,420)
Change in the accrual for compensated absences	(970,357)

An internal service fund is used by management to charge the costs of certain services to individual governmental funds. The net revenue attributable to those funds is reported with governmental activities.

Loss on sale of capital assets	(23,760)
Interest income from internal service funds	345,754
Interest expense from internal service funds	(498,119)
Operating income from governmental activities in internal service funds	2,114,012
Capital contributions	675,261
Transfers	2,111,109

Change in net assets of governmental activities \$ 2,857,040

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenue, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Taxes	\$ 25,849,880	\$ 25,599,576	\$ 25,727,160	\$ 127,584
Licenses and permits	52,025	40,221	38,519	(1,702)
Grants and contributions:				
Federal	2,205,440	2,119,194	1,962,800	(156,394)
State	4,920,851	4,727,671	5,305,932	578,261
Charges for services	8,696,361	8,929,519	9,092,838	163,319
Fines and forfeitures	596,100	490,600	470,266	(20,334)
Investment income	175,000	175,121	166,924	(8,197)
Rentals	134,701	138,963	160,101	21,138
Other	829,078	868,964	934,719	65,755
Total revenue	43,459,436	43,089,829	43,859,259	769,430
Expenditures				
Current:				
General government	15,906,665	15,977,902	16,046,124	68,222
Legislative	489,623	467,193	465,291	(1,902)
Judicial	8,516,895	8,330,189	8,207,418	(122,771)
Public safety	11,428,606	11,418,369	11,782,082	363,713
Culture	162,676	156,279	149,881	(6,398)
Other	808,020	1,135,625	1,126,959	(8,666)
Capital outlay	-	67,373	70,041	2,668
Total expenditures	37,312,485	37,552,930	37,847,796	294,866
Revenue over (under) expenditures	6,146,951	5,536,899	6,011,463	474,564
Other financing sources (uses)				
Transfers in	2,567,381	3,669,921	3,886,921	217,000
Transfers out	(8,714,332)	(9,454,684)	(10,059,222)	(604,538)
Total other financing sources (uses)	(6,146,951)	(5,784,763)	(6,172,301)	(387,538)
Net change in fund balances	-	(247,864)	(160,838)	87,026
Fund balances, beginning of year, as restated	11,486,069	11,486,069	11,486,069	-
Fund balances, end of year	\$ 11,486,069	\$ 11,238,205	\$ 11,325,231	\$ 87,026

The accompanying notes are an integral part of these basic financial statements.



COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenue, Expenditures and Changes in Fund Balances

Budget and Actual - Community Mental Health Special Revenue Fund
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Grants and contributions:				
Federal	\$ 1,240,888	\$ 447,349	\$ 405,344	\$ (42,005)
State	78,383,240	82,033,243	82,603,294	570,051
Local	117,600	113,600	110,199	(3,401)
Charges for services	2,121,400	2,121,400	2,234,383	112,983
Investment earnings	58,200	27,500	23,335	(4,165)
Contributions and reimbursements	-	2,108,096	2,108,096	-
Other	703,551	902,493	974,309	71,816
Total revenue	82,624,879	87,753,681	88,458,960	705,279
Expenditures				
Current:				
Health	83,262,697	88,360,493	86,831,249	(1,529,244)
Capital outlay	56,000	87,006	104,437	17,431
Total expenditures	83,318,697	88,447,499	86,935,686	(1,511,813)
Revenue over (under) expenditures	(693,818)	(693,818)	1,523,274	2,217,092
Other financing sources				
Transfers in	693,818	693,818	719,976	26,158
Transfers out	-	-	(2,131,815)	(2,131,815)
Total other financing sources (uses)	693,818	693,818	(1,411,839)	(2,105,657)
Net change in fund balances	-	-	111,435	111,435
Fund balances, beginning of year	1,331,194	1,331,194	1,331,194	-
Fund balances, end of year	\$ 1,331,194	\$ 1,331,194	\$ 1,442,629	\$ 111,435

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Assets

Proprietary Funds
September 30, 2011

	Business-type Activities -		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Assets			
Current assets:			
Cash and investments	\$ 460,721	\$ 1,055,522	\$ 4,086,370
Receivables, net:			
Accounts	-	187,939	905,294
Due from other governments	597	16,936	-
Accrued interest	456	996	4,006
Taxes	-	-	-
Leases	887,847	-	-
Special assessments	-	-	1,341,490
Due from other funds	-	-	-
Prepays	-	-	-
Inventories	-	-	-
Bond issuance costs	-	-	-
Deposits held with others	-	-	-
Restricted assets	-	-	-
Total current assets	1,349,621	1,261,393	6,337,160
Noncurrent assets:			
Advances to component units	-	-	-
Advances to other funds	-	-	-
Notes receivable	-	-	61,760
Leases receivable	29,277,309	-	-
Capital assets not being depreciated	-	11,224,701	-
Capital assets being depreciated, net	-	18,215,046	17,482,111
Total noncurrent assets	29,277,309	29,439,747	17,543,871
Total assets	30,626,930	30,701,140	23,881,031

Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 4,673,937	\$ 5,129	\$ 24,611,351	\$ 34,893,030	\$ 16,757,746
670,100	2,750,328	218,963	4,732,624	11,535
1,498,105	20,505	971,980	2,508,123	4,635
4,042	-	21,844	31,344	15,105
-	-	16,881,019	16,881,019	-
-	-	-	887,847	-
-	-	-	1,341,490	-
-	-	-	-	2,131,815
-	18,635	-	18,635	237,400
65,335	115,195	8,330	188,860	-
212,798	-	-	212,798	-
-	-	-	-	232,570
-	-	1,845,513	1,845,513	-
<u>7,124,317</u>	<u>2,909,792</u>	<u>44,559,000</u>	<u>63,541,283</u>	<u>19,390,806</u>
-	-	300,000	300,000	-
-	-	-	-	750,584
-	-	-	61,760	200,000
-	-	-	29,277,309	-
8,600,217	-	1,309,713	21,134,631	500,841
<u>119,889,824</u>	<u>1,097,736</u>	<u>11,644,435</u>	<u>168,329,152</u>	<u>10,944,791</u>
<u>128,490,041</u>	<u>1,097,736</u>	<u>13,254,148</u>	<u>219,102,852</u>	<u>12,396,216</u>
<u>135,614,358</u>	<u>4,007,528</u>	<u>57,813,148</u>	<u>282,644,135</u>	<u>31,787,022</u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Assets

Proprietary Funds (continued)

September 30, 2011

	Business-type Activities -		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Liabilities			
Current liabilities:			
Negative equity in pooled cash	\$ -	\$ -	\$ -
Accounts payable	300	48,847	61,721
Accrued liabilities	-	15,641	5,446
Due to other governments	57,072	-	122,492
Accrued interest	534,558	-	287,438
Due to other funds	-	-	-
Current portion of accrued closure cost and sludge removal	-	-	-
Current portion of compensated absences	-	35,058	9,141
Current portion of long-term debt	1,070,000	-	475,000
Total current liabilities	1,661,930	99,546	961,238
Noncurrent liabilities, net of current portion:			
Advances from other funds	-	750,584	-
Accrued closure cost and sludge removal	-	-	-
Compensated absences	-	46,472	12,118
Long-term debt	28,965,000	-	15,195,000
Total noncurrent liabilities	28,965,000	797,056	15,207,118
Total liabilities	30,626,930	896,602	16,168,356
Net assets			
Invested in capital assets, net of related debt	-	29,439,747	1,812,111
Unrestricted	-	364,791	5,900,564
Total net assets	\$ -	\$ 29,804,538	\$ 7,712,675

Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ -	\$ -	\$ 927,912	\$ 927,912	\$ -
209,231	492,874	338,705	1,151,678	842,339
105,979	302,637	83,205	512,908	5,314,731
30,354	149,260	126,499	485,677	-
735,363	-	67,954	1,625,313	207,357
-	-	-	-	26,158
61,600	-	224,552	286,152	-
316,241	235,980	146,936	743,356	-
3,927,395	-	11,500,000	16,972,395	285,000
<u>5,386,163</u>	<u>1,180,751</u>	<u>13,415,763</u>	<u>22,705,391</u>	<u>6,675,585</u>
-	2,325,000	-	3,075,584	567,118
1,924,465	-	10,380,226	12,304,691	-
419,204	312,811	194,775	985,380	44,496
67,943,683	-	4,000,000	116,103,683	6,855,000
<u>70,287,352</u>	<u>2,637,811</u>	<u>14,575,001</u>	<u>132,469,338</u>	<u>7,466,614</u>
<u>75,673,515</u>	<u>3,818,562</u>	<u>27,990,764</u>	<u>155,174,729</u>	<u>14,142,199</u>
56,618,963	1,097,736	12,954,148	101,922,705	4,305,632
3,321,880	(908,770)	16,868,236	25,546,701	13,339,191
<u>\$ 59,940,843</u>	<u>\$ 188,966</u>	<u>\$ 29,822,384</u>	<u>\$ 127,469,406</u>	<u>\$ 17,644,823</u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenue, Expenses and Changes in Fund Net Assets Proprietary Funds For the Year Ended September 30, 2011

	Business-type Activities -		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Operating revenue			
Charges for services	\$ 44,344	\$ 1,092,226	\$ 3,218,801
Farm sales	-	-	-
Interest and penalties	-	-	-
Premiums	-	-	-
Rentals	-	-	-
Lease interest revenue	1,261,375	-	-
Other revenue	157,683	3,538	2,044
Total operating revenue	1,463,402	1,095,764	3,220,845
Operating expenses			
Salaries and fringes	1,911	715,021	179,232
Supplies and other operating expenses	201,474	1,094,198	1,755,528
Insurance benefits and claims	-	-	-
Insurance premiums	-	-	-
Depreciation	-	1,010,987	410,251
Total operating expenses	203,385	2,820,206	2,345,011
Operating income (loss)	1,260,017	(1,724,442)	875,834
Nonoperating revenue (expenses)			
Operating subsidies	-	-	-
Grants and contributions:			
Federal	-	261,014	-
State	-	28,026	181,322
Interest income	1,690	3,997	194,264
Interest expense	(1,261,707)	(2,156)	(691,211)
Gain (loss) on sale of capital assets	-	10,510	-
Total nonoperating revenue (expense)	(1,260,017)	301,391	(315,625)
Income (loss) before capital contributions and transfers	-	(1,423,051)	560,209
Capital contributions	-	1,065,106	-
Transfers in	-	746,982	-
Transfers out	-	(14,496)	-
Change in net assets	-	374,541	560,209
Net assets, beginning of year, as restated	-	29,429,997	7,152,466
Net assets, end of year	\$ -	\$ 29,804,538	\$ 7,712,675

Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 11,048,476	\$ 15,497,640	\$ 4,699,507	\$ 35,600,994	\$ -
2,767,921	-	-	2,767,921	-
-	-	2,819,861	2,819,861	-
-	-	-	-	23,669,476
-	15,282	-	15,282	1,831,183
-	-	-	1,261,375	-
95,929	400	527,564	787,158	3,497,052
<u>13,912,326</u>	<u>15,513,322</u>	<u>8,046,932</u>	<u>43,252,591</u>	<u>28,997,711</u>
4,104,385	11,394,861	3,457,858	19,853,268	1,314,568
5,567,875	5,740,104	3,588,071	17,947,250	1,707,476
-	-	-	-	847,405
-	-	-	-	21,472,526
5,719,915	118,447	1,237,425	8,497,025	1,541,724
<u>15,392,175</u>	<u>17,253,412</u>	<u>8,283,354</u>	<u>46,297,543</u>	<u>26,883,699</u>
<u>(1,479,849)</u>	<u>(1,740,090)</u>	<u>(236,422)</u>	<u>(3,044,952)</u>	<u>2,114,012</u>
-	-	3,101,705	3,101,705	-
-	-	-	261,014	-
-	-	50,000	259,348	-
83,077	15	76,125	359,168	345,754
(1,980,266)	-	(204,454)	(4,139,794)	(498,119)
935	-	2,406	13,851	(23,760)
<u>(1,896,254)</u>	<u>15</u>	<u>3,025,782</u>	<u>(144,708)</u>	<u>(176,125)</u>
(3,376,103)	(1,740,075)	2,789,360	(3,189,660)	1,937,887
-	-	-	1,065,106	675,261
-	1,270,103	87,143	2,104,228	2,293,558
-	-	(3,559,201)	(3,573,697)	(182,449)
<u>(3,376,103)</u>	<u>(469,972)</u>	<u>(682,698)</u>	<u>(3,594,023)</u>	<u>4,724,257</u>
<u>63,316,946</u>	<u>658,938</u>	<u>30,505,082</u>	<u>131,063,429</u>	<u>12,920,566</u>
<u>\$ 59,940,843</u>	<u>\$ 188,966</u>	<u>\$ 29,822,384</u>	<u>\$ 127,469,406</u>	<u>\$ 17,644,823</u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2011

	Business-type Activities -		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Cash flows from operating activities			
Receipts from customers and users	\$ 2,697,425	\$ 1,071,532	\$ 2,238,355
Payments to vendors	(838,010)	(1,355,567)	(1,882,000)
Payments for personnel services	(2,219)	(729,509)	(198,671)
Delinquent taxes purchased	-	-	-
Net cash provided by (used in) operating activities	<u>1,857,196</u>	<u>(1,013,544)</u>	<u>157,684</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	-	483,071	-
Intergovernmental payments	-	-	-
Operating subsidies from grants	-	-	-
Federal and/or state grants	-	286,857	1,227,765
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>769,928</u>	<u>1,227,765</u>
Cash flows from capital and related financing activities			
Proceeds from issuance of long-term debt	-	-	-
Premium on issuance of long-term debt	-	-	-
Principal paid on long-term debt	(985,000)	-	(455,000)
Interest paid on long-term debt	(727,149)	-	(698,031)
Capital contributions received	-	-	-
Proceeds from sale of capital assets	-	22,184	-
Purchase of capital assets	-	(55,953)	(87,687)
Net cash provided by (used in) capital and related financing activities	<u>(1,712,149)</u>	<u>(33,769)</u>	<u>(1,240,718)</u>
Cash flows from investing activities			
Interest received	1,690	3,997	194,264
Interest paid	-	(2,156)	-
Net cash provided by investing activities	<u>1,690</u>	<u>1,841</u>	<u>194,264</u>
Net increase (decrease) in cash and investments	<u>146,737</u>	<u>(275,544)</u>	<u>338,995</u>
Cash and investments, beginning of year	313,984	1,331,066	3,747,375
Cash and investments, end of year	<u>\$ 460,721</u>	<u>\$ 1,055,522</u>	<u>\$ 4,086,370</u>

Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$13,583,877	\$15,072,110	\$21,925,335	\$ 56,588,634	\$ 29,119,858
(5,926,623)	(5,478,616)	(2,939,425)	(18,420,241)	(25,268,602)
(4,341,932)	(11,743,914)	(3,570,408)	(20,586,653)	(1,056,325)
-	-	(10,491,137)	(10,491,137)	-
<u>3,315,322</u>	<u>(2,150,420)</u>	<u>4,924,365</u>	<u>7,090,603</u>	<u>2,794,931</u>
-	2,148,605	63,109	2,694,785	211,743
-	-	(3,300,413)	(3,300,413)	(192,820)
-	-	2,657,554	2,657,554	-
-	-	50,000	1,564,622	-
<u>-</u>	<u>2,148,605</u>	<u>(529,750)</u>	<u>3,616,548</u>	<u>18,923</u>
14,445,979	-	12,000,000	26,445,979	-
485,926	-	-	485,926	-
(16,559,000)	-	(11,000,000)	(28,999,000)	-
(1,407,776)	-	(178,017)	(3,010,973)	(657,146)
-	-	-	-	675,261
8,835	6,929	81,295	119,243	4,235
(1,281,057)	-	(545,638)	(1,970,335)	(2,384,496)
<u>(4,307,093)</u>	<u>6,929</u>	<u>357,640</u>	<u>(6,929,160)</u>	<u>(2,362,146)</u>
83,077	15	76,126	359,169	345,754
-	-	(1,649)	(3,805)	-
<u>83,077</u>	<u>15</u>	<u>74,477</u>	<u>355,364</u>	<u>345,754</u>
(908,694)	5,129	4,826,732	4,133,355	797,462
5,582,631	-	19,784,619	30,759,675	15,960,284
<u>\$ 4,673,937</u>	<u>\$ 5,129</u>	<u>\$24,611,351</u>	<u>\$ 34,893,030</u>	<u>\$ 16,757,746</u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds (concluded)
For the Year Ended September 30, 2011

	Business-type Activities -		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Cash flows from operating activities			
Operating income (loss)	\$ 1,260,017	\$ (1,724,442)	\$ 875,834
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	1,010,987	410,251
Change in:			
Accounts receivable	1,587,331	(24,889)	(193,233)
Due from other governments	(597)	-	-
Accrued interest receivable	92	657	1,519
Taxes receivable	-	-	-
Leases receivable	(352,803)	-	-
Special assessment receivable	-	-	(795,016)
Notes receivable	-	-	4,240
Prepays	-	-	-
Inventories	-	-	-
Bond issuance cost	-	-	-
Deposits held with others	-	-	-
Restricted assets	-	-	-
Negative equity in pooled cash	-	-	-
Accounts payable	(2,403)	(261,369)	(159,135)
Accrued liabilities	(308)	(16,650)	(5,960)
Due to other governments	(634,133)	-	32,663
Accrued closure cost and sludge removal	-	-	-
Accrued compensated absences	-	2,162	(13,479)
Net cash provided by (used in) operating activities	\$ 1,857,196	\$ (1,013,544)	\$ 157,684

Non-cash transactions

The Airport fund received non-cash capital contributions of \$1,065,106 for the year ended September 30, 2011.

Enterprise Funds				Governmental
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Activities
				Internal Service Funds
\$ (1,479,849)	\$ (1,740,090)	\$ (236,422)	\$ (3,044,952)	\$ 2,114,012
5,719,915	118,447	1,237,425	8,497,025	1,541,724
1,166,516	(507,342)	484,326	2,512,709	116,426
(1,498,105)	66,130	-	(1,432,572)	(4,635)
3,140	-	21,644	27,052	10,356
-	-	2,881,296	2,881,296	-
-	-	-	(352,803)	-
-	-	-	(795,016)	-
-	-	-	4,240	-
-	8,072	-	8,072	(5,358)
(14,314)	2,974	(3,231)	(14,571)	-
(158,227)	-	-	(158,227)	-
-	-	-	-	108,220
-	-	(100,664)	(100,664)	-
-	-	263,083	263,083	-
(289,731)	130,509	181,271	(400,858)	(1,344,057)
(147,687)	(333,670)	(162,983)	(667,258)	213,747
30,354	119,933	-	(451,183)	-
73,170	-	308,187	381,357	-
(89,860)	(15,383)	50,433	(66,127)	44,496
<u>\$ 3,315,322</u>	<u>\$ (2,150,420)</u>	<u>\$ 4,924,365</u>	<u>\$ 7,090,603</u>	<u>\$ 2,794,931</u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Statement of Fiduciary Net Assets

Fiduciary Funds
September 30, 2011

	Agency Funds	Private-Purpose Trust Fund Epic Heir Trust (7650)	Other Post- employment Benefits Trust (7360)
Assets			
Cash and investments	\$ 14,426,386	\$ 46,633	\$ -
Funds on deposit with MERS	-	-	33,663,210
Receivables:			
Accounts	415,684	-	694,787
Accrued interest	2,847	49	-
Prepays	30,046	-	-
Total assets	\$ 14,874,963	46,682	34,357,997
Liabilities			
Accounts payable	\$ 1,217,118	-	-
Due to other governments	26,493	-	-
Undistributed current and delinquent taxes	10,533,264	-	-
Trust deposits	493,973	-	-
Accrued liabilities	70,907	-	-
Unallocated receipts	2,533,208	-	-
Total liabilities	\$ 14,874,963	-	-
Net assets held in trust for:			
Epic children		46,682	-
Other postemployment benefits		-	34,357,997
Total net assets		\$ 46,682	\$ 34,357,997

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

For the Year Ended September 30, 2011

	Private-purpose Trust Fund	Other Post- employment
	Epic Heir Trust (7650)	Benefits Trust (7360)
Additions		
Contributions	\$ -	\$ 6,654,542
Investment earnings	167	925,540
Total additions	<u>167</u>	<u>7,580,082</u>
Deductions		
Benefit payments	-	3,649,746
Administrative expenses	-	155,593
Total deductions	<u>-</u>	<u>3,805,339</u>
Change in net assets	167	3,774,743
Net assets, beginning of year, as restated	<u>46,515</u>	<u>30,583,254</u>
Net assets, end of year	<u>\$ 46,682</u>	<u>\$ 34,357,997</u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Net Assets

Discretely Presented Component Units

September 30, 2011

	Road Commission	Drainage Districts	Muskegon County Land Bank	Total
Assets				
Cash and investments	\$ 2,722,276	\$ 416,345	\$ 39,383	\$ 3,178,004
Receivables:				
Accounts	-	-	426,426	426,426
Assessments	-	41,782	-	41,782
Due from other governments	2,867,446	-	-	2,867,446
Accrued interest	-	379	42	421
Property taxes	-	-	13,187	13,187
Other	341,957	-	-	341,957
Prepays and other assets	566,297	-	-	566,297
Inventories	1,787,242	-	-	1,787,242
Assets held for resale	-	-	65,200	65,200
Capital assets not being depreciated	24,272,268	-	-	24,272,268
Capital assets being depreciated, net	40,547,649	3,485,112	-	44,032,761
Total assets	73,105,135	3,943,618	544,238	77,592,991
Liabilities				
Accounts payable	842,988	1,099	4,896	848,983
Accrued liabilities	599,093	-	10,036	609,129
Advances from primary government	-	21,500	300,000	321,500
Unearned revenue	161,213	-	-	161,213
Long-term liabilities:				
Due within one year	454,600	-	-	454,600
Due in more than one year	551,007	-	-	551,007
Total liabilities	2,608,901	22,599	314,932	2,946,432
Net assets				
Invested in capital assets, net of related debt	64,163,005	3,485,112	-	67,648,117
Unrestricted	6,333,229	435,907	229,306	6,998,442
Total net assets	\$ 70,496,234	\$ 3,921,019	\$ 229,306	\$ 74,646,559

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Activities Discretely Presented Component Units For the Year Ended September 30, 2011

	Road Commission	Drainage Districts	Muskegon County Land Bank	Total
Expenses				
Road Commission	\$ 15,177,138	\$ -	\$ -	\$ 15,177,138
Drainage Districts	-	176,434	-	176,434
Muskegon County Land Bank	-	-	326,752	326,752
Total expenses	15,177,138	176,434	326,752	15,680,324
Program revenues				
Charges for services	2,561,963	41,696	10,985	2,614,644
Operating grants and contributions	8,967,143	57,051	-	9,024,194
Capital grants and contributions	3,256,252	-	-	3,256,252
Total program revenues	14,785,358	98,747	10,985	14,895,090
Net expense	(391,780)	(77,687)	(315,767)	(785,234)
General revenues				
Unrestricted investment earnings	-	1,346	15,536	16,882
Gain (loss) on sale of assets	(26,520)	-	443,959	417,439
Other revenue	477,759	-	5,660	483,419
Total general revenues	451,239	1,346	465,155	917,740
Change in net assets	59,459	(76,341)	149,388	132,506
Net assets, beginning of year, as restated	70,436,775	3,997,360	79,918	74,514,053
Net assets, end of year	\$ 70,496,234	\$ 3,921,019	\$ 229,306	\$ 74,646,559

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Muskegon, Michigan (the County) 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.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the County is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and as such, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Blended Component Unit

Muskegon County Building Authority - The Muskegon County Building Authority is governed by a board which is appointed by the County Board of Commissioners. Its sole purpose 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. A separate report is not prepared for the Building Authority.

Discretely Presented Component Units

Muskegon County Road Commission - 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. The component unit is audited individually and complete financial statements can be obtained from the MCRC's administrative office.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Drainage Districts - The Drainage Districts consist of individual districts created for alleviating drainage problems. Each drainage district accounts for the construction, maintenance, and financing costs associated with its drain program. Each individual district is a separate legal entity with power to assess the benefiting communities, including the County and the State of Michigan for drainage. The Muskegon County Drain Commissioner manages the drainage districts with the Muskegon County Board of Commissioners exercising legislative oversight. The County is a direct beneficiary of the service provided and its employees run the day-to-day operations. In addition, the County can pledge its full faith and credit for the long-term debt of the drainage districts.

The financial activity of the Drainage Districts is reported discretely as a governmental fund type. There are no separately issued financial statements of this component unit, although financial information for the specific drainage districts may be obtained from the Muskegon County Drain Commissioner.

Muskegon County Land Bank - The Muskegon County Land Bank records the revenues received from, and the expenses made for, the returning of blighted, tax-reverted properties to productive and viable use. The financial activity of the Muskegon County Land Bank is reported discretely as a governmental fund type. There are no separately issued financial statements of this component unit.

Government-Wide and Fund Financial Statements

The government wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has 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 to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain 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. Indirect expenses are charged based upon a County-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use the “economic resources” measurement focus and accrual basis of accounting, as do the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses 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. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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 expenditure-driven grants, which must be collected within one year, and property taxes. As described under “Property Taxes” below, 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 judgments, are recorded only when payment is due.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except for those accounted for and reported in another fund.

Community Mental Health 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.

The County reports the following major enterprise funds:

Local Government Public Works Financing accounts for revenues received from local municipalities for the payment of the limited obligation long-term debt (principal, interest and fees) of the County. The proceeds of such debt are used to construct public works water and sewer infrastructure assets for local municipalities, which the local governments agree to operate and lease over the life of the bonds. The lease agreement constitutes a capital lease and the lease payments to the County are generally equal to the debt service requirements of the County's bonds.

Airport 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.

Regional Water provides for the continued operations of a regional water system for the townships of Dalton, Laketon and Muskegon.

Wastewater 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.

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

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The *Permanent Funds* are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's programs-that is, for the benefit of the County or its citizenry.

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.

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity (such as taxes collected for other governments).

The *Private Purpose Trust fund* accounts 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).

The *Other Postemployment Benefits Trust Fund* accounts for the accumulated resources for other postemployment benefit payments to qualified employees.

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. 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 enterprise funds and of the government's internal service funds are charges to customers for sales and services. 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Restricted net assets are assets that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and investments

The government's cash and investments are considered cash and cash equivalents as the amounts are pooled and may be withdrawn by participating funds from the pool similar to demand deposits. The amount of cash and investments include amounts in demand deposit accounts, certificates of deposit and short term investments with original maturities of three months or less from the date of acquisition. Investments, exclusive of certificates of deposit, are stated at fair value. Certificates of deposit are carried at cost plus accrued interest, since the original maturity dates are less than one year or the certificates are non-participating (i.e., there is no available market for trade prior to maturity).

State statutes and County policy authorize the County to invest in:

Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.

Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.

Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

Bankers' acceptances of United States banks.

Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.

Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The County pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the County's investments.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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”.

Advances between funds are offset by nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenues received in advance of project costs being incurred are deferred.

Restricted assets

Assets which are restricted for specified uses by bond debt requirements, grant provisions or other external requirements are classified as restricted assets. Liabilities payable from such restricted assets are separately classified.

The Solid Waste and Fly Ash Funds' restricted assets relate primarily to future maintenance of landfill sites, repair and maintenance of waste-to-energy operations, contract retainages for construction projects and debt retirement.

Other Assets

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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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 \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued and recorded at estimated fair market value at the date of donation. Capital assets are reported in the respective governmental or business-type activities columns in the government-wide financial statements.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest costs incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No interest costs were capitalized during the year. 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:

	Years
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

The County reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred the asset is written down to its net realizable value and a current charge to income is recognized.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Deferred Revenue

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.

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 liability, workers' compensation, medical and unemployment, the County maintains an incurred but not reported (IBNR) reserve.

Compensated absences

County employees are granted vacation and sick leave in varying amounts based on length of service. Vacation and sick leave payoffs are charged to the funds where the employees last worked. A liability for accumulated sick and vacation leave is accrued and reported in the government-wide and proprietary funds statements.

Upon termination, a *vacation leave payoff* is generally made at the final rate of pay for 100% of accumulated vacation leave hours, up to a maximum of between 102 and 384 vacation payoff hours, depending on the employee's work classification.

The employee generally receives a *sick leave payoff* equal to sick-leave-payoff-hours multiplied by the employee's final pay rate per hour. There is no limit to the number of sick hours an employee may accumulate, but at termination accumulated sick leave hours are converted into sick-leave-payoff-hours, which is a percentage of accumulated sick leave hours, subject to a maximum of 1440 accumulated sick leave hours. To arrive at the number of sick-leave-payoff-hours to be paid at the final rate of pay, the accumulated sick leave hours are (1) multiplied by 75% for employees who qualify for full retirement or die, (2) multiplied by 50% for other voluntary terminations, (3) multiplied by 100% for certain employee classifications at Brookhaven, or (3) not eligible for payoff for involuntary terminations.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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 straight-line 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.

Fund equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the government's highest level of decision-making authority). A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners has delegated the authority to assign fund balance to the County Finance & Management Services Director or his/her designee. Unassigned fund balance is the residual classification for the General Fund.

The County Board of Commissioners has formally established a budget stabilization policy whose goal is to keep a reserve equal to at least 5 percent of the General Fund operating budget. If the Budget Stabilization balance falls below the minimum range, the County will replenish shortages or deficiencies using budget strategies and timeframes as detailed in the policy. As of September 30, 2011, the balance in the stabilization arrangement was \$2,300,000.

The County Board of Commissioners has adopted a minimum fund balance policy in which the total fund balance of the General Fund will be equal to at least 18 percent of the current year expenditures. If the General Fund balance falls below the minimum range, the County will replenish shortages or deficiencies using budget strategies and timeframes as detailed in the policy.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Interfund transactions

During the course of normal operations, the County has numerous transactions between funds and component units, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all County departments and funds as transfers or operating revenue. All County funds record these payments to the internal service funds as transfers or operating expenditures/expenses.

Capital contributions

Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program of the Federal Aviation Administration, with certain matching funds provided by the Department and the State of Michigan. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred. Grants for capital assets acquisition, facilities development and rehabilitation are reported in the statement of net assets, after nonoperating revenues and expenses as capital contributions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The County utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Budgets

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The General Fund and special revenue funds are subject to legal budgetary accounting controls and all are budgeted annually. Debt service funds are also included in the budgetary process; however, state statutes do not require legally adopted budgets for such funds. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

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.
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.
9. All budget appropriations lapse at the end of each funds' fiscal year.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

Property taxes

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 occur on or about September 1st. Therefore, under the statutes, total delinquency collection is assured.

2. EXCESS OF EXPENDITURES OVER BUDGET

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. The approved budgets of the County were adopted on the department level basis for all governmental funds, which is the legal level of control.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

During the year ended September 30, 2011, the County incurred expenditures in certain budgetary funds which were in excess of the amounts budgeted, as follows:

	Final Budget	Actual	Actual Over Final Budget
General Fund:			
Coop Reimbursement - State Share (141)	\$ 2,805,395	\$ 2,964,102	\$ 158,707
Jury Commission (145)	26,229	32,700	6,471
Title IV-D Medical Support (146)	116,608	117,997	1,389
Juvenile Court (149)	1,102,170	1,111,472	9,302
Public Defender (164)	1,104,503	1,119,785	15,282
Family Counseling (166)	56,506	57,021	515
Corporate Counsel (210)	131,340	164,983	33,643
County Clerk (215)	413,429	418,128	4,699
Circuit Court Records (216)	480,213	496,923	16,710
Equalization (225)	1,722,456	1,741,406	18,950
City of Muskegon (227)	90,279	92,004	1,725
Prosecutor (229)	2,207,015	2,216,845	9,830
Johnny O. Harris Building (241)	3,651	4,006	355
Training Center (242)	43,325	52,204	8,879
Health Building (244)	-	1,290	1,290
Kenneth L. Brinks Building (245)	-	906	906
Veterans Center (246)	-	183	183
Stark Hall (248)	10,960	12,630	1,670
Designated & Pass-thru Revenues (252)	1,434,958	1,635,977	201,019
Shady Grove Cemetery (260)	1,411	2,084	673
Cordova Site O&M (263)	2,552	2,571	19
Oak Ave. Building (268)	126,663	143,330	16,667
County Jail Building (271)	445,248	446,847	1,599
Gypsy Moth (285)	-	360	360
Vehicle Pool (297)	19,880	25,043	5,163
Sheriff Operations (301)	3,638,768	3,803,002	164,234
Sheriff Administration (305)	415,923	420,187	4,264
Correction Officer Training (350)	87,864	103,048	15,184
Sheriff Jail (351)	6,124,418	6,213,962	89,544
Courtroom Security (355)	1,113,674	1,207,040	93,366
State Institutions (650)	158,000	163,923	5,923
Community Mental Health:			
Capital outlay	87,006	104,437	17,431

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Final Budget	Actual	Actual Over Final Budget
Nonmajor governmental funds:			
Cooperative Reimbursement Prosecutor:			
General government	\$ 332,195	\$ 347,210	\$ 15,015
Township Patrols:			
Public safety	212,830	217,114	4,284
Prosecutor Family Court:			
General government	224,713	225,467	754
Health Department:			
Health	8,274,674	8,333,633	58,959
TNT Drug:			
Public safety	15,382	15,470	88
Trade Adjustment Assistance:			
Welfare	2,393,600	2,699,233	305,633
Strategic Planning:			
Welfare	-	94	94
Crime Victims' Rights:			
Public safety	243,073	262,967	19,894
EDC Loan Revolving			
General government	1,081	25,821	24,740
Remonumentation Program:			
Cultural	78,475	81,675	3,200
Social Welfare:			
Health	1,012,381	1,120,738	108,357
Child Care Facility:			
Health	8,051,177	8,610,829	559,652
Mental Health Building:			
Health	370,842	412,454	41,612
Quality of Victim's Restitution:			
General government	5,000	7,435	2,435

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of September 30, 2011:

	Primary Government	Component Units	Totals
Statement of Net Assets			
Cash and investments	\$ 68,080,601	\$ 3,178,004	\$ 71,258,605
Restricted assets	1,845,513	-	1,845,513
	<u>69,926,114</u>	<u>3,178,004</u>	<u>73,104,118</u>
Statement of Fiduciary Net Assets			
Private purpose trust fund:			
Cash and investments	46,633	-	46,633
Other fiduciary funds:			
Cash and investments	14,426,386	-	14,426,386
Funds on deposit with MERS	33,663,210	-	33,663,210
	<u>48,136,229</u>	<u>-</u>	<u>48,136,229</u>
Total	<u>\$ 118,062,343</u>	<u>\$ 3,178,004</u>	<u>\$ 121,240,347</u>
Deposits and investments			
Bank deposits:			
Checking and savings accounts			\$ 71,047,174
Certificates of deposit:			
Due within one year			9,500,036
Due within one to five years			20,000
Investments:			
Funds on deposit with MERS			38,639,824
Money market accounts			1,845,513
Non-cash commodity			139,475
Cash on hand			<u>48,325</u>
Total			<u>\$ 121,240,347</u>

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be returned. It is County policy to reduce custodial credit risk related to deposits by using only pre-qualified financial institutions, broker/dealers, intermediaries and advisors. As of year-end, \$92,500,924 of the County's bank balance of \$94,424,224 was exposed to custodial credit risk because it was uninsured and uncollateralized.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk - Investments . Following is a summary of the County's investments as of September 30, 2011:

Investments:	
Municipal securities	\$ 949,276
Government securities	2,001,400
Treasury note	2,025,938
Money market accounts	1,845,513
Funds on deposit with MERS	<u>33,663,210</u>
Total	<u>\$ 40,485,337</u>

For an investment, custodial credit risk 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 or collateral securities that are in the possession of an outside party. As of September 30, 2011, none of the County's investments were exposed to custodial credit risk inasmuch as all investments are held in the name of the County.

Credit Risk. Statutes and various bond indentures authorized the County to invest in obligations of the U.S. Treasury, governmental agencies and instrumentalities, commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services, bankers' acceptances of U.S. banks, U.S. government or federal agency obligation repurchase agreements, obligations of the State of Michigan or any of its political subdivisions rated as investment grade by not less than one standard rating service, and mutual funds composed of the types of investment vehicles named previously. The County had no investment policy that would further limit its investment choices.

Credit risk ratings, where applicable, are summarized as follows:

Moody Aaa, S&P AA+	\$ 2,001,400
Moody AA3, S&P not rated	949,276
Unrated	<u>37,534,661</u>
Total	<u>\$ 40,485,337</u>

Interest Rate Risk. Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies.

Maturity dates for investments held at year-end are summarized as follows:

Due in less than one year	\$ 2,025,938
Due in 5-8 years	2,950,676
No maturity	<u>35,508,723</u>
Total	<u>\$ 40,485,337</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. 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.

4. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 2,147,498	\$ 5,988,634	\$ 426,426
Less: allowance for uncollectibles	(70,613)	(1,256,010)	-
Due from other governments	5,926,009	2,508,123	2,867,446
Accrued interest	65,327	31,344	421
Taxes (current)	3,915,708	8,868,121	13,187
Taxes (delinquent)	-	8,012,898	-
Long-term notes	1,150,000	61,760	-
Leases	-	30,165,156	-
Special assessments	-	1,341,490	41,782
Other	-	-	341,957
	<u>\$ 13,133,929</u>	<u>\$ 55,721,516</u>	<u>\$ 3,691,219</u>

Of the amounts reported for receivables above, long-term receivables in the amount of \$1,125,000, special assessments receivable in the amount of \$1,135,144 and leases receivable in the amount of \$28,965,000 are not expected to be collected within one year.

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

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

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

5. PAYABLES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 7,464,940	\$ 1,151,678	\$ 848,983
Due to other governments	3,937,505	485,677	-
	<u>\$ 11,402,445</u>	<u>\$ 1,637,355</u>	<u>\$ 848,983</u>

6. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2011, was as follows:

Due to and from primary government funds

	Due from Other Funds	Due to Other Funds
Community Mental Health	\$ 26,158	\$ 2,171,095
Nonmajor governmental funds	39,280	-
Internal service funds	<u>2,131,815</u>	<u>26,158</u>
	<u>\$ 2,197,253</u>	<u>\$ 2,197,253</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Advances to and from primary government funds

	Advances to Other Funds	Advances from Other Funds
General fund	\$ 2,892,118	\$ -
Internal service funds	750,584	567,118
Airport	-	750,584
Brookhaven Medical Care Facility	-	2,325,000
	<u>\$ 3,642,702</u>	<u>\$ 3,642,702</u>

Advances to and from component units

	Advances to Component Units	Advances from Primary Government
General fund	\$ 21,500	\$ -
Nonmajor enterprise funds	300,000	-
Muskegon County Land Bank	-	300,000
Drainage Districts	-	21,500
	<u>\$ 321,500</u>	<u>\$ 321,500</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

For the year ended September 30, 2011, interfund transfers consisted of the following:

Transfers out	Transfers		
	General fund	Community Mental Health	Nonmajor governmental funds
General fund	\$ -	\$ 693,818	\$ 7,516,576
Community Mental Health	-	-	-
Nonmajor governmental funds	567,381	-	1,276,855
Airport	-	-	14,496
Internal service funds	-	26,158	156,291
Nonmajor enterprise funds	3,319,540	-	202,434
	<u>\$ 3,886,921</u>	<u>\$ 719,976</u>	<u>\$ 9,166,652</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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Airport	Brookhaven Medical Care Facility	Nonmajor enterprise funds	Internal service funds	Totals
\$ 746,982	\$ 940,103	\$ -	\$ 161,743	\$ 10,059,222
-	-	-	2,131,815	2,131,815
-	330,000	49,916	-	2,224,152
-	-	-	-	14,496
-	-	-	-	182,449
-	-	37,227	-	3,559,201
<u>\$ 746,982</u>	<u>\$ 1,270,103</u>	<u>\$ 87,143</u>	<u>\$ 2,293,558</u>	<u>\$ 18,171,335</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

7. CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2011 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Government Activities				
Capital assets, not depreciable				
Land	\$ 4,203,610	\$ 245,000	\$ -	\$ 4,448,610
Construction-in-progress	2,602,306	1,291,037	(1,815,451)	2,077,892
	<u>6,805,916</u>	<u>1,536,037</u>	<u>(1,815,451)</u>	<u>6,526,502</u>
Capital assets being depreciated				
Land improvements	5,049,715	-	-	5,049,715
Buildings and improvements	73,353,851	2,937,366	(127,875)	76,163,342
Machinery and equipment	17,898,876	1,737,644	(1,581,456)	18,055,064
	<u>96,302,442</u>	<u>4,675,010</u>	<u>(1,709,331)</u>	<u>99,268,121</u>
Less accumulated depreciation for:				
Land improvements	(2,058,133)	(202,710)	-	(2,260,843)
Building and improvements	(20,982,204)	(2,559,536)	127,875	(23,413,865)
Machinery and equipment	(14,517,968)	(926,120)	1,537,817	(13,906,271)
	<u>(37,558,305)</u>	<u>(3,688,366)</u>	<u>1,665,692</u>	<u>(39,580,979)</u>
Total capital assets being depreciated, net	<u>58,744,137</u>	<u>986,644</u>	<u>(43,639)</u>	<u>59,687,142</u>
Governmental activities- capital assets, net	<u><u>\$ 65,550,053</u></u>	<u><u>\$ 2,522,681</u></u>	<u><u>\$ (1,859,090)</u></u>	<u><u>\$ 66,213,644</u></u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 19,886,236	\$ -	\$ -	\$ 19,886,236
Construction-in-progress	33,777	1,214,618	-	1,248,395
	<u>19,920,013</u>	<u>1,214,618</u>	<u>-</u>	<u>21,134,631</u>
Capital assets being depreciated				
Land improvements	40,282,877	87,689	-	40,370,566
Buildings and improvements	32,087,513	13,225	(13,620)	32,087,118
Machinery and equipment	31,123,927	1,496,325	(1,307,969)	31,312,283
Lagoons	9,517,671	-	-	9,517,671
W/W collection and distribution	155,784,313	205,122	(24,767)	155,964,668
Capitalized interest and engineering	9,062,219	18,462	-	9,080,681
	<u>277,858,520</u>	<u>1,820,823</u>	<u>(1,346,356)</u>	<u>278,332,987</u>
Less accumulated depreciation for:				
Land improvements	(15,381,999)	(945,971)	-	(16,327,970)
Building and improvements	(16,937,081)	(911,998)	13,620	(17,835,459)
Machinery and equipment	(13,693,685)	(1,605,697)	1,210,284	(14,089,098)
Lagoons	(3,536,715)	(95,308)	-	(3,632,023)
W/W collection and distribution	(47,841,598)	(4,627,404)	17,059	(52,451,943)
Capitalized interest and engineering	(5,356,695)	(310,647)	-	(5,667,342)
	<u>(102,747,773)</u>	<u>(8,497,025)</u>	<u>1,240,963</u>	<u>(110,003,835)</u>
Total capital assets being depreciated, net	<u>175,110,747</u>	<u>(6,676,202)</u>	<u>(105,393)</u>	<u>168,329,152</u>
Business-type activities capital assets, net	<u>\$195,030,760</u>	<u>\$ (5,461,584)</u>	<u>\$ (105,393)</u>	<u>\$189,463,783</u>

At September 30, 2011, the County's governmental and business-type activities had outstanding commitments through construction contracts of approximately \$2,091,000 and \$1,719,000, respectively.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

Depreciation of governmental activities by function

Judicial	\$ 18,921
General government	1,217,388
Public safety	362,269
Health	332,041
Welfare	14,005
Recreation	201,864
Cultural	154
Internal service fund	<u>1,541,724</u>
Total depreciation expense - governmental activities	<u><u>\$ 3,688,366</u></u>

Depreciation of business-type activities by function

Airport	\$ 1,010,987
Regional water	410,251
Wastewater	5,719,915
Brookhaven Medical Care Facility	118,447
Other enterprise funds	<u>1,237,425</u>
Total depreciation expense - business type activities	<u><u>\$ 8,497,025</u></u>

Discretely presented component units

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit - Road Commission				
Capital assets, not being depreciated				
Land and improvements	\$ 24,148,391	\$ 123,877	\$ -	\$ 24,272,268
Capital assets being depreciated				
Land improvements	49,540	-	-	49,540
Buildings and improvements	4,769,247	-	-	4,769,247
Road equipment	10,286,122	610,727	(361,359)	10,535,490
Other equipment	2,950,159	160,218	(765,297)	2,345,080
Infrastructure and improvements	63,916,468	2,757,060	(3,089,539)	63,583,989
	<u>81,971,536</u>	<u>3,528,005</u>	<u>(4,216,195)</u>	<u>81,283,346</u>
Less accumulated depreciation for:				
Land improvements	(30,624)	(2,527)	-	(33,151)
Buildings and improvements	(2,724,545)	(143,059)	-	(2,867,604)
Road equipment	(8,595,084)	(693,251)	361,359	(8,926,976)
Other equipment	(1,782,966)	(127,869)	699,467	(1,211,368)
Infrastructure and improvements	(27,832,870)	(2,953,267)	3,089,539	(27,696,598)
	<u>(40,966,089)</u>	<u>(3,919,973)</u>	<u>4,150,365</u>	<u>(40,735,697)</u>
Total capital assets being depreciated, net	<u>41,005,447</u>	<u>(391,968)</u>	<u>(65,830)</u>	<u>40,547,649</u>
Road Commission capital assets, net	<u><u>\$ 65,153,838</u></u>	<u><u>\$ (268,091)</u></u>	<u><u>\$ (65,830)</u></u>	<u><u>\$ 64,819,917</u></u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit - Drainage Districts				
Capital assets being depreciated				
Infrastructure and improvements	\$ 4,108,109	\$ -	\$ -	\$ 4,108,109
Less accumulated depreciation for:				
Infrastructure and improvements	(540,835)	(82,162)	-	(622,997)
Drainage Districts capital assets, net	\$ 3,567,274	\$ (82,162)	\$ -	\$ 3,485,112

8. LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2011 was as follows:

	Balance October 1, 2010	Additions	Reductions	Balance September 30, 2011	Due Within One Year
Government Activities					
2009 Building Authority General Obligation Bonds, Quality of Life Project, \$7,725,000, due in annual installments of \$1,080,000 to \$1,220,000 through September 1, 2016, interest at 2.50 to 3.50%, payable semi-annually	\$ 6,770,000	\$ -	\$ (1,035,000)	\$ 5,735,000	\$ 1,080,000
2002 Building Authority General Obligation Bonds, Hall of Justice, \$6,500,000, bond was refunded during the current year	4,720,000	-	(4,720,000)	-	-
2008 Building Authority General Obligation Bonds, Mental Health Building, \$6,150,000, due in annual installments of \$160,000 to \$430,000 through November 1, 2033, interest at 5.25 to 6.25%, payable semi-annually	6,150,000	-	(150,000)	6,000,000	160,000
2010 Building Authority Refunding General Obligation Bonds, Hall of Justice, \$4,685,000, due in annual installments of \$110,000 to \$530,000 through May 1, 2022, interest at 2.81%, payable semi-annually	-	4,685,000	-	4,685,000	110,000

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Balance October 1, 2010	Additions	Reductions	Balance September 30, 2011	Due Within One Year
2010 Energy Bonds, \$7,140,000, due in annual installments of \$200,000 to \$600,000 through November 1, 2030, interest at 6.97%, payable semi-annually	\$ 7,140,000	\$ -	\$ -	\$ 7,140,000	\$ 285,000
Land contract promissory note, \$95,000, due in annual installments of \$20,000 to \$25,000 through November 1, 2014, non-interest bearing	-	95,000	-	95,000	25,000
Total installment debt	24,780,000	4,780,000	(5,905,000)	23,655,000	1,660,000
Deferred loss on advance refunding	-	(202,620)	18,420	(184,200)	(18,420)
Total governmental activities bonds	24,780,000	4,577,380	(5,886,580)	23,470,800	1,641,580
Compensated absences	5,879,930	3,543,222	(2,528,370)	6,894,782	2,964,756
Total governmental activities	\$ 30,659,930	\$ 8,120,602	\$ (8,414,950)	\$ 30,365,582	\$ 4,606,336
Business-type Activities					
Special assessment, Series II, Refunded, \$4,315,000, due in annual installments of \$385,000 to \$520,000 through October 1, 2019, interest at 2.00 to 3.00%, payable semi-annually	\$ 4,315,000	\$ -	\$ (325,000)	\$ 3,990,000	\$ 385,000
Special assessment, Laketon Sewer, \$6,000,000, due in annual installments of \$215,000 to \$450,000 through May 1, 2028, interest at 4.00 to 4.625%, payable semi-annually	5,620,000	-	(205,000)	5,415,000	215,000
Special assessment, Muskegon/ Egelston/Dalton, \$20,580,000, due in annual installments of \$410,000 to \$1,305,000 through November 1, 2036, interest at 4.25 to 5.00%, payable semi-annually	20,200,000	-	(395,000)	19,805,000	410,000

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Balance October 1, 2010	Additions	Reductions	Balance September 30, 2011	Due Within One Year
Special assessment, Whitehall Township Water, \$995,000, due in annual installments of \$60,000 to \$85,000 through November 1, 2021, interest at 4.00 to 4.30%, payable semi-annually	\$ 885,000	\$ -	\$ (60,000)	\$ 825,000	\$ 60,000
Muskegon County Water Supply System Revenue Bond, \$7,900,000, due in annual installments of \$145,000 to \$485,000 through November 1, 2036, interest from 4.375 to 5.125%, payable semi-annually	7,515,000	-	(140,000)	7,375,000	145,000
Muskegon County Water Supply System Revenue Bond, \$9,215,000, due in annual installments of \$330,000 to \$645,000 through November 1, 2036, interest from 3.25 to 4.625%, payable semi-annually	8,610,000	-	(315,000)	8,295,000	330,000
Wastewater Revenue Bond, \$17,000,000, called July 1, 2011	13,600,000	-	(13,600,000)	-	-
Wastewater Revenue Refunding Bond, \$12,380,000, payable to MMBA in annual installments of \$775,000 to \$900,000 through July 1, 2026; interest from 2.00 to 5.00%, payable semi-annually	-	12,380,000	-	12,380,000	880,000
Wastewater Revenue Bond - \$17,440,604, payable to MMBA in annual installments of \$790,000 to \$991,560 through April 1, 2027 \$1,000,000 in 2018 with interest at 1.625%	15,121,560	-	(780,000)	14,341,560	790,000
Wastewater Revenue Bond, \$14,000,000, payable to MMBA in annual installments of \$625,000 to \$815,000 through April 1, 2028; interest at 1.625%	12,800,000	-	(615,000)	12,185,000	625,000

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Balance October 1, 2010	Additions	Reductions	Balance September 30, 2011	Due Within One Year
Wastewater Revenue Bond - \$1,800,000, payable to MMBA in annual installments of \$80,000 to \$105,000 through October 1, 2026; interest at 1.625%	\$ 1,565,000	\$ -	\$ (80,000)	\$ 1,485,000	\$ 80,000
Wastewater Revenue Bond - \$843,413, payable to MMBA in annual installments of \$40,000 to \$58,316 through April 1, 2028; interest at 2.50%	823,316	-	(40,000)	783,316	40,000
Wastewater Revenue Bond - \$14,945,558, payable to MMBA in annual installments of \$690,000 to \$1,055,000 through April 1, 2029; interest at 2.50%	14,290,558	176,304	(670,000)	13,796,862	690,000
Wastewater Revenue Bond - \$15,134,452, payable to MMBA in annual installments of \$715,000 to \$1,095,000 through April 1, 2029; interest at 2.50%	14,454,452	182,599	(700,000)	13,937,051	715,000
Wastewater Revenue Bond - \$2,476,383, payable to MMBA in annual installments of \$75,000 to \$120,000 through April 1, 2030; interest at 2.50%	843,287	1,707,076	(74,000)	2,476,363	75,000
General Obligation Tax Notes 2008, \$11,000,000, paid off during the current year	3,500,000	-	(3,500,000)	-	-
General Obligation Tax Notes 2009, \$11,000,000, interest at 0.95 to 2.45% due on December 1, 2011	11,000,000	-	(7,500,000)	3,500,000	3,500,000
General Obligation Tax Notes 2010, \$12,000,000, interest at 1.00 to 1.25% due on December 1, 2012	-	12,000,000	-	12,000,000	8,000,000
Total installment debt	135,143,173	26,445,979	(28,999,000)	132,590,152	16,940,000
Net bond premium/discount	-	518,321	(32,395)	485,926	32,395
Total business-type activities bonds	135,143,173	26,964,300	(29,031,395)	133,076,078	16,972,395

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Balance October 1, 2010	Additions	Reductions	Balance September 30, 2011	Due Within One Year
Landfill closure and post-closure liability	\$ 10,296,591	\$ 308,187	\$ -	\$ 10,604,778	\$ 224,552
Accrued sludge removal liability	1,912,895	73,170	-	1,986,065	61,600
Compensated absences	1,794,863	705,664	(771,791)	1,728,736	743,356
Total Business-type Activities	<u>\$149,147,522</u>	<u>\$ 28,051,321</u>	<u>\$(29,803,186)</u>	<u>\$147,395,657</u>	<u>\$ 18,001,903</u>
Component Unit - Road Commission					
\$2,000,000 Michigan Transportation Fund Notes, Series 2004; due in annual installments of \$200,000 through 2014; interest at 3.75 to 4.00%	\$ 800,000	\$ -	\$ (200,000)	\$ 600,000	\$ 200,000
\$177,900 Capital lease agreement; due in monthly installments of \$3,262 through March 2012; including interest at 3.95%	93,025	-	(36,113)	56,912	37,600
Total installment debt	893,025	-	(236,113)	656,912	237,600
Compensated absences	367,246	451,835	(470,386)	348,695	217,000
Total Component Unit	<u>\$ 1,260,271</u>	<u>\$ 451,835</u>	<u>\$(706,499)</u>	<u>\$ 1,005,607</u>	<u>\$ 454,600</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ended September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 1,660,000	\$ 1,156,243	\$ 16,940,000	\$ 3,826,275
2013	1,890,000	1,095,450	9,605,000	3,528,726
2014	1,945,000	1,028,588	5,690,000	3,360,036
2015	2,000,000	959,870	5,805,000	3,204,377
2016	2,040,000	883,258	5,920,000	3,044,757
2017-2021	4,975,000	3,557,867	31,330,000	12,596,209
2022-2026	3,845,000	2,365,657	32,650,000	7,813,484
2027-2031	4,460,000	1,090,002	15,160,152	3,416,166
2032-2036	840,000	79,375	7,700,000	1,432,601
2037	-	-	1,790,000	45,053
	<u>\$ 23,655,000</u>	<u>\$ 12,216,310</u>	<u>\$132,590,152</u>	<u>\$ 42,267,684</u>

	Component Unit - Road Commission	
	Principal	Interest
2012	\$ 237,600	\$ 25,073
2013	219,400	16,224
2014	199,912	8,000
	<u>\$ 656,912</u>	<u>\$ 49,297</u>

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

The local government public works financing 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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 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.

The compensated absences liability attributable to the governmental and business-type activities will be liquidated by the retiring employee's fund at retirement.

Refunded Debt

During fiscal year 2011, the County advance refunded \$4,435,000 of Muskegon County Hall of Justice Building Authority Bonds to provide resources to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments of \$4,531,557 of refunded debt. As a result, the certificates are considered defeased and the liability has been removed from the statement of net assets. The refunding resulted in savings of \$348,101 and an economic gain of \$336,476.

In addition during fiscal year 2011, the County advance refunded \$12,750,000 of Wastewater Revenue Bonds to provide resources to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments of refunded debt. As a result, the certificates are considered defeased and the liability has been removed from the statement of net assets. The refunding resulted in savings of \$1,146,138 and an economic gain of \$860,143.

Defeased Debt

At September 30, 2011, except for the Muskegon County Hall of Justice Building Authority Bonds listed above, no balances remain outstanding on defeased debt because all such bonds have been called and payment has been made from the respective escrows.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

9. RISK MANAGEMENT

Primary Government

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.

The County manages its risks internally and has set aside assets for claim settlement in its Risk Management and Employee Benefits Internal Service Funds. These funds allocate the cost of providing claims servicing and claims payments by charging a "premium" to each fund based upon various allocation bases. This charge considers recent trends in actual claims experience of the County as a whole and makes provision for catastrophic losses.

Insurance Internal Service Fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an accumulation of case estimates for losses reported prior to the close of the accounting period and estimates for claims that have been incurred but not reported (including future claim adjustment expenses) based on past loss experience and consideration of current claim trends, as well as prevailing social, economic and local conditions. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims.

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment yield assumptions of 4.0%.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Changes in the balances of claims liabilities are as follows:

	Beginning of the year liability	Current year claims and change in estimates	Claim Payments	End of the year liability
2010	\$ 4,922,574	\$ 16,310,855	\$(16,232,743)	\$ 5,000,686
2011	5,000,686	21,153,670	(21,625,878)	4,528,478

10. CONTINGENT LIABILITIES

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County and its Corporate Counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

11. PENSION BENEFITS

Defined Benefit 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 current rate varies as a percentage of annual covered payroll from 0.00 to 32.11%. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

For the year ended September 30, 2011, the County’s actual and required contribution for MERS was \$5,254,385. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included: (a) a rate of return on the investment of present and future assets of 8.0%; (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation; (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to merit, longevity, and promotional pay increases; and (d) post-retirement Benefits will increase based on Board of Commissioner’s resolution. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return and includes an adjustment to reflect fair value. The County’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010, the date of the latest actuarial valuation, was 28 years.

Three-Year Trend Information			
Years Ended September 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2009	\$ 4,622,590	100%	\$ -
2010	4,957,129	100%	-
2011	5,254,385	100%	-

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Plan was 80.2 percent funded. The actuarial accrued liability for benefits was \$215,665,116, and the actuarial value of assets was \$173,067,836, resulting in an unfunded actuarial accrued liability (UAAL) of \$42,597,280. The covered payroll (annual payroll of active employees covered by the Plan) was \$43,243,016, and the ratio of the UAAL to the covered payroll was 98.5 percent.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Defined Contribution Pension Plan

The County's defined contribution pension plan provide benefits to various employees hired after January 1, 2007. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employer and plan member contributions are recognized in the period that the contributions are due. Plan investments are excluded from the financial statements as the fiduciary responsibility for this plan rests with MERS.

Participation in the defined contribution plan is mandatory for all eligible employees. The County contributes from 3.0% of each participant's base salary to the plan. Employees are required to contribute a minimum of 3.0% of base pay to the plan. Participating employees are immediately 100% vested in the member's accumulated balance. Employees become vested in the employers contribution over a six year period. The plan provisions and contribution amounts were established by the Authority Board and may be amended by the County Board. The plan is administered by MERS. The County and member contributions were \$111,759 each for the current year.

12. OTHER POSTEMPLOYMENT BENEFITS

Plan description: The County of Muskegon administers a single employer defined benefit postemployment healthcare benefit plan that provides health and dental benefits to its retired employees and beneficiaries. The plan is accounted for as an other postemployment benefits trust fund in the County's financial statements, and utilizes the Retiree Health Funding Vehicle and Investment Services Program provided through the Michigan Municipal Employees' Retirement System (MERS).

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 7.7 to 18.3% of annual covered payroll. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Annual OPEB Cost and Net OPEB Obligation. The County’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County’s net OPEB obligation:

Annual required contribution	\$ 6,654,542
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Net OPEB cost (expense)	6,654,542
Contributions made	<u>(6,654,542)</u>
	<hr/>
Increase in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
	<hr/>
Net OPEB obligation, end of year	<u><u>\$ -</u></u>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2011 and the two preceding years were as follows:

Three-Year Trend Information			
Years Ended September 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 6,818,788	100%	\$ -
2010	6,502,590	100%	-
2011	6,654,542	100%	-

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Plan was 27.6% funded. The actuarial accrued liability for benefits was \$92,999,977, and the actuarial value of assets was \$25,682,655, resulting in an unfunded actuarial accrued liability (UAAL) of \$67,317,322. The covered payroll (annual payroll of active employees covered by the Plan) was \$43,243,016, and the ratio of the UAAL to the covered payroll was 155.7 percent.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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 employment, 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 schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 the plan members) and include the types 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 the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The required contribution was determined as part of the December 31, 2009 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.

Defined Contribution Post-Employment Healthcare Plan

The County's defined contribution post-retirement healthcare plan provides post retirement healthcare benefits for various employees hired after January 1, 2007. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employer and plan member contributions are recognized in the period that the contributions are due. Plan investments are excluded from the financial statements as the fiduciary responsibility for this plan rest with MERS.

Participation in the defined contribution plan is mandatory for all eligible employees. The County contributes from 3.0% of each participant's base salary to the plan. Participating employees are immediately 100% vested in the member's accumulated balance. Employees become vested in the employers contribution over a six year period. The plan provisions and contribution amounts were established by the Authority Board and may be amended by the County Board. The plan is administered by MERS. The County contributions were \$120,327 for the year ended September 30, 2011.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

13. CLOSURE AND POST-CLOSURE CARE COST

Landfill Closure and Post-closure Care

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 stop accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$10.6 million reported as landfill closure and post-closure care liability at September 30, 2011 represents the cumulative amount reported to date based on the use of 58 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 11 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$14.2 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 2011. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

In accordance with Michigan Department of Environmental Quality requirements, funding for closure and post-closure cost have been assured with two \$1,000,000 letters of credit with a local financial institution and \$1,845,513 held in trust as of September 30, 2011. 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.

14. FUND BALANCES - GOVERNMENTAL FUNDS

The County adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the current year. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows on the next page:

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	General Fund	Community Mental Health	Nonmajor Funds	Total
Nonspendable:				
Inventory	\$ -	\$ -	\$ 24,325	\$ 24,325
Prepays	-	171,880	-	171,880
Long-term advances and notes receivable	2,913,618	-	950,000	3,863,618
Permanent fund corpus	-	-	47,139	47,139
Total nonspendable	2,913,618	171,880	1,021,464	4,106,962
Restricted for:				
Training	47,426	-	-	47,426
Heritage Landing Improvements	79,405	-	-	79,405
Fraternal Order of Police	31,499	-	-	31,499
Community Mental Health	-	1,270,749	-	1,270,749
Accommodation Tax	-	-	293,831	293,831
Grant programs	-	-	31,618	31,618
Deed Automation Fund	-	-	1,096,493	1,096,493
Stormwater Committee	-	-	36,324	36,324
EDC Loan Revolving	-	-	139,678	139,678
Veterans' Trust	-	-	70	70
Mental Health Buildings	-	-	17,386	17,386
Victim Restitution	-	-	46,045	46,045
Debt repayment	-	-	673,467	673,467
Unspent bond proceeds	-	-	239,322	239,322
Total restricted	158,330	1,270,749	2,574,234	4,003,313
Committed for:				
Sobriety Court	-	-	119,171	119,171
Parks	-	-	192,790	192,790
Safe Schools/Healthy Students	-	-	2,293	2,293
Strategic Planning	-	-	23	23
Capital projects	-	-	37,030	37,030
Total committed	-	-	351,307	351,307
Assigned for:				
Emergency Services	-	-	30,263	30,263
Marine Safety	-	-	17,723	17,723
Health Department	-	-	20,232	20,232
Crime Victims' Rights	-	-	1,058	1,058
Social Welfare	-	-	20,000	20,000
Capital projects	-	-	2,872,829	2,872,829
Total assigned	-	-	2,962,105	2,962,105
Unassigned	8,253,283	-	-	8,253,283
Total fund balances, government funds	\$ 11,325,231	\$ 1,442,629	\$ 6,909,110	\$ 19,676,970

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

15. INVESTED IN CAPITAL ASSETS NET OF RELATED DEBT

The composition of net assets invested in capital assets, net of related debt as of September 30, 2011, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 6,526,502	\$ 21,134,631	\$ 24,272,268
Capital assets being depreciated, net	59,687,142	168,329,152	44,032,761
	<u>66,213,644</u>	<u>189,463,783</u>	<u>68,305,029</u>
Related debt:			
Total installment debt	23,655,000	132,590,152	656,912
Net bond premium/discount	-	485,926	-
Deferred loss on advance refunding	(184,200)	-	-
Unexpended bond proceeds	(239,322)	-	-
General obligation tax notes	-	(15,500,000)	-
Bonds payable related to capital leases	-	(30,035,000)	-
	<u>23,231,478</u>	<u>87,541,078</u>	<u>656,912</u>
Invested in capital assets, net of related debt	<u>\$ 42,982,166</u>	<u>\$101,922,705</u>	<u>\$ 67,648,117</u>

16. RESTATEMENTS

As described in Note 14, the County adopted the provisions of GASB Statement No. 54 in the current year. While the classifications of fund balance in the County's various governmental funds were revised, the implementation of this standard had no effect on total fund balance. Beginning fund balance of the General Fund increased by \$2,300,000, which was the result of the prior year special revenue fund budget stabilization being included with General Fund.

Beginning net assets of the nonmajor governmental funds increased by \$489,604 as a result of removing accrued interest expense previously recorded on the fund statements and to correct for a change in estimate on an amount due to other governments.

Beginning net assets of the internal service funds increased by \$572,832 as a result of recording an amount held with others for risk retention and the effect of unrecorded prepaid premiums.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Beginning net assets of governmental activities decreased by \$692,054 as in the prior year Brookhaven Medical Care Facility and the Local Government Public Works Financing funds were recorded as special revenue funds and have been recorded as enterprise funds during the current year. An adjustment was necessary to move the capital assets and compensated absences for Brookhaven Medical Care Facility governmental activities to business-type activities. In addition, an adjustment was necessary for the Local Government Public Works Financing fund to remove bonds payable and deferred revenue from governmental activities. A change was also necessary for accrued interest and amount due to other governments noted above in the nonmajor governmental funds.

Beginning net assets of the Regional Water increased by \$886,452 as a result of recording a note receivable from North Muskegon, correcting a special assessment receivable balance, adjusting for federal revenue incorrectly reversed in the prior year, and to correct amounts due to other governments.

Beginning net assets of Brookhaven Medical Care Facility increased by \$658,938 as a result of moving this fund from a special revenue fund in the prior year to an enterprise fund, as described above.

Beginning net assets of Local Government Public Works Financing decreased by \$862,245 as a result of moving this fund from a special revenue fund in the prior year to an enterprise fund, as described above. In addition, during the current year a correction was made to the special assessments receivable.

The County has elected to record the other postemployment benefits trusts fund in the financial statements. As this fund had not previously been presented, beginning net assets for this fund of \$30,583,254 were restated.

Beginning net assets of component units increased by \$4,077,278 as in the prior year Drainage Districts and the Muskegon County Land Bank funds were recorded as a special revenue fund and an enterprise fund, respectively, and have been recorded as component units during the current year. An adjustment was necessary to record the capital assets for the Drainage Districts. In addition, an adjustment was necessary for the Muskegon County Land Bank fund to remove interest receivable on land contracts previously recorded in accrued interest receivable.

17. SUBSEQUENT EVENT

Subsequent to year end, the County entered into an installment purchase agreement for computer software. The total purchase price in connection with the agreement is approximately \$3,300,000, of which the County is financing approximately \$2,700,000, payable in four annual installments of \$703,766 including interest at 1.89%.





REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information Employees' Retirement Plan

Schedule of Funding Progress Municipal Employees Retirement System						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2005	\$ 139,839,863	\$ 161,382,478	\$ 21,542,615	86.7%	\$ 44,152,941	48.8%
12/31/2006	150,499,461	175,250,444	24,750,983	85.9%	46,303,903	53.5%
12/31/2007	161,096,222	188,720,415	27,624,193	85.4%	46,309,080	59.7%
12/31/2008	165,135,098	201,704,111	36,569,013	81.9%	47,382,743	77.2%
12/31/2009	168,849,136	205,371,215	36,522,079	82.2%	45,503,711	80.3%
12/31/2010	173,067,836	215,665,116	42,597,280	80.2%	43,243,016	98.5%

Schedule of Employer Contributions Municipal Employees Retirement System		
Year Ended September 30,	Annual Required Contributions	Percentage Contributed
2006	\$ 4,111,794	100%
2007	4,443,159	100%
2008	4,486,180	100%
2009	4,622,590	100%
2010	4,957,129	100%
2011	5,254,385	100%

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information Other Postemployment Benefit Plan

Schedule of Funding Progress Other Postemployment Benefit Plan						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2005	\$ 13,842,778	\$ 90,915,056	\$ 77,072,278	15.2%	\$ 44,152,941	174.6%
12/31/2007	19,886,261	91,103,381	71,217,120	21.8%	46,309,080	153.8%
12/31/2009	25,682,655	92,999,977	67,317,322	27.6%	43,243,016	155.7%

Schedule of Employer Contributions Other Postemployment Benefit Plan		
Year Ended September 30,	Annual Required Contributions	Percentage Contributed
2006	\$ 3,178,602	100%
2007	7,044,700	100%
2008	7,583,648	100%
2009	6,818,788	100%
2010	6,502,590	100%
2011	6,654,542	100%



**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department Budget and Actual General Fund For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Board of Commissioners	\$ 489,623	\$ 467,193	\$ 465,291	\$ (1,902)
Circuit Court	1,311,110	1,294,937	1,270,289	(24,648)
Circuit Court Collections	56,325	58,391	52,530	(5,861)
District Court	3,583,808	3,476,165	3,364,512	(111,653)
Probation Cobo Hall Tax	189,627	190,838	187,580	(3,258)
District Court Collections	185,954	192,289	191,268	(1,021)
Coop Reimbursement-State Share	2,939,515	2,805,395	2,964,102	158,707
Friend of the Court	159,960	379,088	223,828	(155,260)
FOC Act 143 State	4,613	3,730	3,292	(438)
Law Library	20,451	32,703	30,556	(2,147)
Jury Commission	23,824	26,229	32,700	6,471
Title IV-D Medical Support	116,594	116,608	117,997	1,389
Probate Court	770,532	791,856	784,807	(7,049)
Juvenile Court	1,210,574	1,102,170	1,111,472	9,302
State Probation	58,439	57,439	55,239	(2,200)
Public Defender	1,104,503	1,104,503	1,119,785	15,282
Family Counseling	55,434	56,506	57,021	515
Administration	601,281	600,750	597,005	(3,745)
Elections	225,801	187,855	154,351	(33,504)
Accounting	549,245	544,785	526,677	(18,108)
Corporate Counsel	83,340	131,340	164,983	33,643
Budget	305,083	291,870	291,017	(853)
County Clerk	438,589	413,429	418,128	4,699
Circuit Court Records	532,744	480,213	496,923	16,710
Equalization	1,736,609	1,722,456	1,741,406	18,950
Human Resources	306,995	302,293	287,643	(14,650)
City of Muskegon	90,279	90,279	92,004	1,725
Prosecutor	2,209,611	2,207,015	2,216,845	9,830
Purchasing	213,092	216,067	211,441	(4,626)
Register of Deeds	642,059	625,020	618,907	(6,113)
Johnny O. Harris Building	3,651	3,651	4,006	355
Training Center	43,325	43,325	52,204	8,879
Health Building	-	-	1,290	1,290
Kenneth L. Brinks Building	-	-	906	906
Veterans Center	-	-	183	183
Stark Hall	10,960	10,960	12,630	1,670
Designated & Pass-thru Revenues	1,348,295	1,434,958	1,635,977	201,019
Treasurer	690,913	714,262	703,773	(10,489)
Shady Grove Cemetery	2,640	1,411	2,084	673
Cordova Site O&M	2,274	2,552	2,571	19
Courthouse and Grounds	969,619	1,012,368	995,106	(17,262)
Facility Security Services	96,165	88,542	88,400	(142)

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department Budget and Actual General Fund For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Oak Ave. Building	\$ 122,401	\$ 126,663	\$ 143,330	\$ 16,667
County Jail Building	421,388	445,248	446,847	1,599
Heritage Landing O&M	104,845	91,271	90,171	(1,100)
Drain Commissioner	300,151	277,581	276,090	(1,491)
Plat Board	916	916	-	(916)
Gypsy Moth	-	-	360	360
Vehicle Pool	19,880	19,880	25,043	5,163
Sheriff Operations	3,638,679	3,638,768	3,803,002	164,234
Sheriff Administration	431,357	415,923	420,187	4,264
Officer Training Act 302	12,000	12,000	9,263	(2,737)
Correction Officer Training	63,976	87,864	103,048	15,184
Sheriff Jail	5,954,924	6,124,418	6,213,962	89,544
Courtroom Security	1,231,505	1,113,674	1,207,040	93,366
State Institutions	160,000	158,000	163,923	5,923
MSU Extension	162,676	156,279	149,881	(6,398)
Appropriations	53,935	57,051	57,051	-
Misc Contingency	372,530	662,265	540,278	(121,987)
Information Systems	877,866	883,688	849,591	(34,097)
	<u>\$ 37,312,485</u>	<u>\$ 37,552,930</u>	<u>\$ 37,847,796</u>	<u>\$ 294,866</u>

COUNTY OF MUSKEGON, MICHIGAN

■ Nonmajor Governmental Funds

Special Revenue Funds

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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

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.

Neighborhood Stabilization Grant (2471)--to account for funds received from the Department of Housing and Urban Development that are used to rehabilitate foreclosed homes in the Oakview School neighborhood in the City of Muskegon and sell the rehabilitated homes to low to moderate income individuals.

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

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 (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.

Edward Byrne Memorial Justice Assistance Grant (JAG) American Recovery and Reinvestment Act (ARRA) (2675)--to account for Federal pass through funds for municipal law enforcement agencies to purchase equipment, supplies, and services for their communities.

Community 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.

Workforce Innovation in Regional Economic Development (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 21st 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.

COUNTY OF MUSKEGON, MICHIGAN

■ Nonmajor Governmental Funds

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

Department of Education and Training (DET) Cost Pool (2739)--to account for shared costs for the Department of Employment and Training. These shared costs are then allocated to all of the department's funds in accordance with the approved cost allocation plan.

Summer Youth-ARRA (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.

Jobs Education & Training (JET) (2751)--to account for Federal pass-through funds from State and State GF/GP received to assist Muskegon and Oceana welfare applicants/recipients and low income workers to succeed in the labor market.

Food Assistance Employment and Training (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.

Workforce Investment Act (WIA) Admin (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.

COUNTY OF MUSKEGON, MICHIGAN

■ Nonmajor Governmental Funds

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.

Workforce Investment Act/Statewide Activity (WIA/SWA) JET Support (2770)--to account for Federal pass-through funds for statewide activities funding which replaces the reduced TANF funding.

WIA/SWA ARRA (2771)--to account for Federal pass-through funds for a variety of grants including: training and support to individuals from Muskegon Heights in the field of Energy Conservation Apprenticeship Readiness and also support of all activities that increase efficiency and expand the capacity of the State wide system to meet local program operational needs.

WIA/SWA Michigan National Career Readiness Certificate (MI NCRC) (2772)--to account for Federal pass-through funds to assist the general population in preparing for and acquiring National Career Readiness Certificates.

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

Employment Service (ES) ARRA MI NCRC (2774)--to account for Federal pass-through funds to assist the general population in preparing for and acquiring National Career Readiness Certificates.

WIA ARRA National Emergency Grant (NEG) Regional Economic Impact (REI) (2775)--to account for Federal pass-through funds for statewide activities funding for re-employment of dislocated workers in Muskegon and Oceana counties.

WIA Dislocated Worker ARRA (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 Admin ARRA (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.

ES ARRA Wagner-Peyser ECAR Program (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.

COUNTY OF MUSKEGON, MICHIGAN

■ Nonmajor Governmental Funds

Reemployment Services 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.

WIA/SWA ARRA RCAR Program (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 (RCAR).

WIA Adult State Adjustment Grant (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.

Regional Entrepreneurial Collaborative (2785)--to account for State GF/GP funds received to enable workers to acquire the skills necessary to succeed in today's 21st Century knowledge based Economy.

WIA/SWA ARRA Additional Adult Dislocated Worker (DLW) Program (2786)--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 and dislocated workers.

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.

Project Safe Neighborhoods (2834)--to account for federal funds used to increase law enforcement patrols in order to lessen violent crime within inner city neighborhoods in Muskegon County.

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 through 2011.

COUNTY OF MUSKEGON, MICHIGAN

■ Nonmajor Governmental Funds

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.

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

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

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

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

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

Quality of 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

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.

COUNTY OF MUSKEGON, MICHIGAN

■ Nonmajor Governmental Funds

Capital Projects Funds

Hall of Justice (4130)--to account for the revenues and expenditures associated with the renovation of the 1st and 2nd 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.

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.

Permanent Funds

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, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds September 30, 2011

	Special Revenue Funds					
	Cooperative Reimbursement Prosecutor (1150)	Sobriety Court (1170)	Emergency Services (1190)	Marine Safety (1200)	Highway Safety Programs (1210)	Township Patrols (1240)
Assets						
Cash and investments	\$ -	\$ 198	\$ 25,753	\$ -	\$ -	\$ 18,792
Receivables, net:						
Accounts	-	-	6,654	-	1,197	-
Due from other governments	43,196	131,646	-	81,892	40,494	-
Accrued interest	-	-	-	-	-	-
Long-term notes	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 43,196</u>	<u>\$131,844</u>	<u>\$ 32,407</u>	<u>\$81,892</u>	<u>\$ 41,691</u>	<u>\$ 18,792</u>
Liabilities						
Negative equity in pooled cash	\$ 34,611	\$ -	\$ -	\$61,589	\$ 37,771	\$ -
Payables:						
Accounts payable	429	10,406	943	-	-	-
Due to other governments	-	-	-	-	-	-
Accrued liabilities	8,156	2,267	1,201	2,580	3,920	3,719
Deferred revenue	-	-	-	-	-	15,073
Total liabilities	<u>43,196</u>	<u>12,673</u>	<u>2,144</u>	<u>64,169</u>	<u>41,691</u>	<u>18,792</u>
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	119,171	-	-	-	-
Assigned	-	-	30,263	17,723	-	-
Total fund balances	<u>-</u>	<u>119,171</u>	<u>30,263</u>	<u>17,723</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 43,196</u>	<u>\$131,844</u>	<u>\$ 32,407</u>	<u>\$81,892</u>	<u>\$ 41,691</u>	<u>\$ 18,792</u>



Special Revenue Funds

Park Fund (2080)	Prosecutor Family Court (2140)	Safe Schools/ Healthy Students (2152)	Health Department (2210)	Accomoda- tions Tax (2300)	CDBG Housing Grant (2470)	Neighborhood Stabilization Grant (2471)	Deed Automation Fund (2560)
\$ 211,832	\$ -	\$ 3,438	\$ 636,721	\$ 213,815	\$ 2,137	\$ -	\$1,096,435
-	-	-	116,499	89,723	-	-	-
-	6,369	-	174,109	-	-	144,407	-
112	-	-	5	71	-	-	1,112
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	24,325	-	-	-	-
<u>\$ 211,944</u>	<u>\$ 6,369</u>	<u>\$ 3,438</u>	<u>\$ 951,659</u>	<u>\$ 303,609</u>	<u>\$ 2,137</u>	<u>\$ 144,407</u>	<u>\$1,097,547</u>
\$ -	\$ 1,279	\$ -	\$ -	\$ -	\$ -	\$ 144,407	\$ -
11,661	-	-	615,291	7,443	14	-	1,054
-	-	-	130,250	-	-	-	-
7,493	5,090	1,145	161,561	2,335	-	-	-
-	-	-	-	-	-	-	-
<u>19,154</u>	<u>6,369</u>	<u>1,145</u>	<u>907,102</u>	<u>9,778</u>	<u>14</u>	<u>144,407</u>	<u>1,054</u>
-	-	-	24,325	-	-	-	-
-	-	-	-	293,831	2,123	-	1,096,493
192,790	-	2,293	-	-	-	-	-
-	-	-	20,232	-	-	-	-
<u>192,790</u>	<u>-</u>	<u>2,293</u>	<u>44,557</u>	<u>293,831</u>	<u>2,123</u>	<u>-</u>	<u>1,096,493</u>
<u>\$ 211,944</u>	<u>\$ 6,369</u>	<u>\$ 3,438</u>	<u>\$ 951,659</u>	<u>\$ 303,609</u>	<u>\$ 2,137</u>	<u>\$ 144,407</u>	<u>\$1,097,547</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds (continued) September 30, 2011

	Special Revenue Funds					
	Community Corrections (2640)	TNT Drug (2671)	Prosecutor Drug (2672)	JAG - ARRA (2675)	Comm. Capacity Building - ARRA (2676)	WIRED (2730)
Assets						
Cash and investments	\$ -	\$ 22,444	\$ 4,439	\$ -	\$ -	\$ -
Receivables, net:						
Accounts	-	-	-	-	-	-
Due from other governments	100,290	-	-	61,130	67,681	-
Accrued interest	-	29	-	-	-	-
Long-term notes	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 100,290</u>	<u>\$ 22,473</u>	<u>\$ 4,439</u>	<u>\$ 61,130</u>	<u>\$ 67,681</u>	<u>\$ -</u>
Liabilities						
Negative equity in pooled cash	\$ 78,722	\$ -	\$ -	\$ 34,742	\$ 58,751	\$ -
Payables:						
Accounts payable	12,095	966	-	26,388	8,930	-
Due to other governments	270	-	-	-	-	-
Accrued liabilities	9,203	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>100,290</u>	<u>966</u>	<u>-</u>	<u>61,130</u>	<u>67,681</u>	<u>-</u>
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	21,507	4,439	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>21,507</u>	<u>4,439</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 100,290</u>	<u>\$ 22,473</u>	<u>\$ 4,439</u>	<u>\$ 61,130</u>	<u>\$ 67,681</u>	<u>\$ -</u>



Special Revenue Funds

Wagner Peyser (2731)	Trade Adjustment Assistance (2733)	DET Cost Pool (2739)	Summer Youth ARRA (2742)	Jobs Education & Training (2751)	Food Stamp Program (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)
\$ -	\$ -	\$ 14,745	\$ -	\$ -	\$ -	\$ 3,612	\$ -
-	-	-	-	-	-	-	-
107,360	665,888	-	-	806,353	17,593	38,818	162,450
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$107,360</u>	<u>\$665,888</u>	<u>\$ 14,745</u>	<u>\$ -</u>	<u>\$806,353</u>	<u>\$ 17,593</u>	<u>\$ 42,430</u>	<u>\$162,450</u>
\$ 32,777	\$ 60,927	\$ -	\$ -	\$169,050	\$ 1,734	\$ -	\$ 34,424
73,861	603,810	6,483	-	632,213	14,770	6,508	126,943
-	-	-	-	-	-	33,643	-
722	1,151	8,262	-	5,090	1,089	2,279	1,083
-	-	-	-	-	-	-	-
<u>107,360</u>	<u>665,888</u>	<u>14,745</u>	<u>-</u>	<u>806,353</u>	<u>17,593</u>	<u>42,430</u>	<u>162,450</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$107,360</u>	<u>\$665,888</u>	<u>\$ 14,745</u>	<u>\$ -</u>	<u>\$806,353</u>	<u>\$ 17,593</u>	<u>\$ 42,430</u>	<u>\$162,450</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds (continued) September 30, 2011

	Special Revenue Funds					
	WIA Youth Programs (2762)	WIA Dislocated Worker Program (2763)	Strategic Planning (2765)	WIA Youth Statewide (2766)	WIA Service Center Operations (2767)	Incumbent Worker Statewide (2768)
Assets						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net:						
Accounts	-	-	-	-	-	-
Due from other governments	274,857	238,030	-	-	368	-
Accrued interest	-	-	23	-	-	-
Long-term notes	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	\$ 274,857	\$ 238,030	\$ 23	\$ -	\$ 368	\$ -
Liabilities						
Negative equity in pooled cash	\$ 111,788	\$ 68,066	\$ -	\$ -	\$ 368	\$ -
Payables:						
Accounts payable	162,035	168,897	-	-	-	-
Due to other governments	-	-	-	-	-	-
Accrued liabilities	1,034	1,067	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	274,857	238,030	-	-	368	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	23	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	-	-	23	-	-	-
Total liabilities and fund balance	\$ 274,857	\$ 238,030	\$ 23	\$ -	\$ 368	\$ -



Special Revenue Funds

WIA SWA TANF Replacement (2770)	WIA SWA ARRA (2771)	WIA SWA Welfare (2772)	Wagner- Peyser MI NCRC (2773)	Employment Services (2774)	WIA ARRA NEG (2775)	WIA Dislocated Worker ARRA (2777)	WIA Admin ARRA (2778)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	2,066	-	-	-	226,604	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 2,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,604</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 1,629	\$ -	\$ -	\$ -	\$ 71,454	\$ -	\$ -
-	-	-	-	-	154,165	-	-
-	-	-	-	-	-	-	-
-	437	-	-	-	985	-	-
-	-	-	-	-	-	-	-
-	2,066	-	-	-	226,604	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 2,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,604</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds (continued)

September 30, 2011

	Special Revenue Funds					
	Wagner Peysen ARRA ECAR (2781)	Reemploy- ment ARRA (2782)	WIA SWA ARRA RCAR (2783)	WIA SAG ARRA (2784)	Regional Entr Collabor- ative (2785)	WIA SWA ARRA Add'l Adult/ DLW (2786)
Assets						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net:						
Accounts	-	-	-	-	-	-
Due from other governments	-	-	-	-	36,298	-
Accrued interest	-	-	-	-	-	-
Long-term notes	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,298</u>	<u>\$ -</u>
Liabilities						
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -	\$ 24,446	\$ -
Payables:						
Accounts payable	-	-	-	-	10,214	-
Due to other governments	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	1,638	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,298</u>	<u>-</u>
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,298</u>	<u>\$ -</u>



Special Revenue Funds

Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Community Gun Violence (2832)	Project Safe Neighborhoods (2834)	Revenue Sharing Reserve (2850)	EDC Loan Revolving (2860)	Rambusch - Ruchs CDBG Grant (2873)	Remonumentation Program (2890)
\$ -	\$ 36,324	\$ -	\$ -	\$ -	\$ 70,411	\$ 3,549	\$ -
-	-	-	-	-	69,188	-	-
58,421	-	-	442	-	-	-	42,414
-	-	-	-	-	79	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 58,421</u>	<u>\$ 36,324</u>	<u>\$ -</u>	<u>\$ 442</u>	<u>\$ -</u>	<u>\$ 139,678</u>	<u>\$ 3,549</u>	<u>\$ 42,414</u>
\$ 51,308	\$ -	\$ -	\$ 442	\$ -	\$ -	\$ -	\$ 42,414
-	-	-	-	-	-	-	-
406	-	-	-	-	-	-	-
5,649	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>57,363</u>	<u>-</u>	<u>-</u>	<u>442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,414</u>
-	-	-	-	-	-	-	-
-	36,324	-	-	-	139,678	3,549	-
-	-	-	-	-	-	-	-
1,058	-	-	-	-	-	-	-
<u>1,058</u>	<u>36,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,678</u>	<u>3,549</u>	<u>-</u>
<u>\$ 58,421</u>	<u>\$ 36,324</u>	<u>\$ -</u>	<u>\$ 442</u>	<u>\$ -</u>	<u>\$ 139,678</u>	<u>\$ 3,549</u>	<u>\$ 42,414</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds (continued) September 30, 2011

	Special Revenue Funds				
	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Trust (2940)	Mental Health Buildings (2970)	Quality of Victim Restitution (2980)
Assets					
Cash and investments	\$ 59,962	\$ -	\$ -	\$ 32,983	\$ 45,994
Receivables, net:					
Accounts	-	19,000	-	-	-
Due from other governments	120,844	673,224	3,216	-	-
Accrued interest	-	-	-	10	51
Long-term notes	-	-	-	-	-
Due from other funds	-	39,280	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 180,806</u>	<u>\$ 731,504</u>	<u>\$ 3,216</u>	<u>\$ 32,993</u>	<u>\$ 46,045</u>
Liabilities					
Negative equity in pooled cash	\$ -	\$ 204,220	\$ 3,146	\$ -	\$ -
Payables:					
Accounts payable	24,806	459,557	-	14,911	-
Due to other governments	136,000	-	-	-	-
Accrued liabilities	-	67,727	-	696	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>160,806</u>	<u>731,504</u>	<u>3,146</u>	<u>15,607</u>	<u>-</u>
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	70	17,386	46,045
Committed	-	-	-	-	-
Assigned	20,000	-	-	-	-
Total fund balances	<u>20,000</u>	<u>-</u>	<u>70</u>	<u>17,386</u>	<u>46,045</u>
Total liabilities and fund balances	<u>\$ 180,806</u>	<u>\$ 731,504</u>	<u>\$ 3,216</u>	<u>\$ 32,993</u>	<u>\$ 46,045</u>

Debt Service Funds			Capital Projects Funds				
Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)	Hall of Justice (4130)	CMH Apple Building (4140)	Laketon Township Sewer (4634)	Public Improvement (4930)	Capital Improvement (4960)
\$430,952	\$93,718	\$ 147,540	\$ 2,300	\$239,039	\$ -	\$ 2,997,676	\$ 37,030
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,225	2	30	-	283	-	4,686	-
-	-	-	-	-	-	650,000	300,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$432,177</u>	<u>\$93,720</u>	<u>\$ 147,570</u>	<u>\$ 2,300</u>	<u>\$239,322</u>	<u>\$ -</u>	<u>\$ 3,652,362</u>	<u>\$ 337,030</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	2,300	-	-	129,533	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,300	-	-	129,533	-
-	-	-	-	-	-	650,000	300,000
432,177	93,720	147,570	-	239,322	-	-	-
-	-	-	-	-	-	-	37,030
-	-	-	-	-	-	2,872,829	-
<u>432,177</u>	<u>93,720</u>	<u>147,570</u>	<u>-</u>	<u>239,322</u>	<u>-</u>	<u>3,522,829</u>	<u>337,030</u>
<u>\$432,177</u>	<u>\$93,720</u>	<u>\$ 147,570</u>	<u>\$ 2,300</u>	<u>\$239,322</u>	<u>\$ -</u>	<u>\$ 3,652,362</u>	<u>\$ 337,030</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds (concluded) September 30, 2011

	Permanent Funds		Total
	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	
Assets			
Cash and investments	\$ 37,612	\$ 9,517	\$ 6,498,968
Receivables, net:			
Accounts	-	-	302,261
Due from other governments	-	-	4,326,460
Accrued interest	-	10	7,728
Long-term notes	-	-	950,000
Due from other funds	-	-	39,280
Inventories	-	-	24,325
Total assets	<u>\$ 37,612</u>	<u>\$ 9,527</u>	<u>\$ 12,149,022</u>
Liabilities			
Negative equity in pooled cash	\$ -	\$ -	\$ 1,330,065
Payables:			
Accounts payable	-	-	3,286,626
Due to other governments	-	-	300,569
Accrued liabilities	-	-	307,579
Deferred revenue	-	-	15,073
Total liabilities	<u>-</u>	<u>-</u>	<u>5,239,912</u>
Fund balances			
Nonspendable	37,612	9,527	1,021,464
Restricted	-	-	2,574,234
Committed	-	-	351,307
Assigned	-	-	2,962,105
Total fund balances	<u>37,612</u>	<u>9,527</u>	<u>6,909,110</u>
Total liabilities and fund balances	<u>\$ 37,612</u>	<u>\$ 9,527</u>	<u>\$ 12,149,022</u>

concluded



COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenue, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2011

	Special Revenue Funds					
	Cooperative Reimbursement Prosecutor (1150)	Sobriety Court (1170)	Emergency Services (1190)	Marine Safety (1200)	Highway Safety Programs (1210)	Township Patrols (1240)
Revenue						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	217,533	243,542	112,898	-	48,953	-
State	-	90,708	-	91,793	159,000	-
Local	-	-	-	-	-	97,465
Charges for services	-	87,870	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	200	-	-
Other	-	-	11,350	200	1,197	-
Total revenue	217,533	422,120	124,248	92,193	209,150	97,465
Expenditures						
Current:						
General government	347,210	-	-	-	-	-
Judicial	-	369,899	-	-	-	-
Public safety	-	-	171,867	125,564	283,220	217,114
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	93,204	-	-	-
Total expenditures	347,210	369,899	265,071	125,564	283,220	217,114
Revenue over (under) expenditures	(129,677)	52,221	(140,823)	(33,371)	(74,070)	(119,649)
Other financing sources (uses)						
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Transfers in	129,677	-	143,083	33,371	74,070	119,649
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	129,677	-	143,083	33,371	74,070	119,649
Net change in fund balances	-	52,221	2,260	-	-	-
Fund balances, beginning of year, as restated	-	66,950	28,003	17,723	-	-
Fund balances, end of year	\$ -	\$ 119,171	\$ 30,263	\$ 17,723	\$ -	\$ -

Special Revenue Funds

Park Fund (2080)	Prosecutor Family Court (2140)	Schools/ Healthy Students (2152)	Health Department (2210)	Accomoda-tions Tax (2300)	CDBG Housing Grant (2470)	Neighborhood Stabilization Grant (2471)	Deed Automation Fund (2560)
\$ -	\$ -	\$ -	\$ 308,713	\$ 854,447	\$ -	\$ -	\$ -
-	-	-	2,532,973	-	-	144,407	-
-	69,842	-	1,041,277	-	129	-	-
-	-	-	-	-	-	-	-
663,457	-	69,781	2,087,218	-	-	-	164,080
-	-	-	-	-	-	-	-
348	-	-	322	316	-	-	3,772
-	-	-	-	-	-	-	-
-	-	-	4,845	-	-	-	-
83	-	-	313,095	-	804	-	-
<u>663,888</u>	<u>69,842</u>	<u>69,781</u>	<u>6,288,443</u>	<u>854,763</u>	<u>933</u>	<u>144,407</u>	<u>167,852</u>
-	225,467	69,199	-	583,394	-	-	83,690
-	-	-	-	-	-	-	-
-	-	-	8,333,633	-	-	-	-
-	-	-	-	-	14	144,407	-
-	-	-	-	-	-	-	-
615,581	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	7,201	-	-	-	-
<u>615,581</u>	<u>225,467</u>	<u>69,199</u>	<u>8,340,834</u>	<u>583,394</u>	<u>14</u>	<u>144,407</u>	<u>83,690</u>
<u>48,307</u>	<u>(155,625)</u>	<u>582</u>	<u>(2,052,391)</u>	<u>271,369</u>	<u>919</u>	<u>-</u>	<u>84,162</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	147,963	-	2,061,664	-	-	-	-
(25,882)	-	-	-	(130,629)	-	-	(20,000)
-	-	-	-	-	-	-	-
<u>(25,882)</u>	<u>147,963</u>	<u>-</u>	<u>2,061,664</u>	<u>(130,629)</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>
<u>22,425</u>	<u>(7,662)</u>	<u>582</u>	<u>9,273</u>	<u>140,740</u>	<u>919</u>	<u>-</u>	<u>64,162</u>
<u>170,365</u>	<u>7,662</u>	<u>1,711</u>	<u>35,284</u>	<u>153,091</u>	<u>1,204</u>	<u>-</u>	<u>1,032,331</u>
<u>\$ 192,790</u>	<u>\$ -</u>	<u>\$ 2,293</u>	<u>\$ 44,557</u>	<u>\$ 293,831</u>	<u>\$ 2,123</u>	<u>\$ -</u>	<u>\$ 1,096,493</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenue, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (continued)

For the Year Ended September 30, 2011

	Special Revenue Funds					
	Community Corrections (2640)	TNT Drug (2671)	Prosecutor Drug (2672)	JAG - ARRA (2675)	Comm. Capacity Building - ARRA (2676)	WIRED (2730)
Revenue						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	130,649	2,925	-	120,321	138,588	61,401
State	155,670	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	13,493	-	-	-	-	-
Fines and forfeitures	-	280	181	-	-	-
Investment income	-	106	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	1,000	-	-	-	-
Other	24,322	25	-	-	-	-
Total revenue	324,134	4,336	181	120,321	138,588	61,401
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	639,746	15,470	1,440	120,321	-	-
Health	-	-	-	-	143,961	-
Welfare	-	-	-	-	-	61,401
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	639,746	15,470	1,440	120,321	143,961	61,401
Revenue over (under) expenditures	(315,612)	(11,134)	(1,259)	-	(5,373)	-
Other financing sources (uses)						
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Transfers in	315,612	-	-	-	5,373	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	315,612	-	-	-	5,373	-
Net change in fund balances	-	(11,134)	(1,259)	-	-	-
Fund balances, beginning of year, as restated	-	32,641	5,698	-	-	-
Fund balances, end of year	\$ -	\$ 21,507	\$ 4,439	\$ -	\$ -	\$ -



Special Revenue Funds

Wagner Peyser (2731)	Trade Adjustment Assistance (2733)	DET Cost Pool (2739)	Summer Youth ARRA (2742)	Jobs Education & Training (2751)	Food Stamp Program (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
381,806	2,699,233	-	35,115	2,382,158	45,282	172,331	491,221
-	-	-	-	1,142,911	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	800	-	-	-
<u>381,806</u>	<u>2,699,233</u>	<u>-</u>	<u>35,115</u>	<u>3,525,869</u>	<u>45,282</u>	<u>172,331</u>	<u>491,221</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
381,806	2,699,233	-	35,115	3,525,869	45,282	171,544	491,221
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	787	-
<u>381,806</u>	<u>2,699,233</u>	<u>-</u>	<u>35,115</u>	<u>3,525,869</u>	<u>45,282</u>	<u>172,331</u>	<u>491,221</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenue, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (continued)

For the Year Ended September 30, 2011

	Special Revenue Funds					
	WIA Youth Programs (2762)	WIA Dislocated Worker Program (2763)	Strategic Planning (2765)	WIA Youth Statewide (2766)	WIA Service Center Operations (2767)	Incumbent Worker Statewide (2768)
Revenue						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	668,283	934,884	-	2,320	7,413	32,500
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	117	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenue	<u>668,283</u>	<u>934,884</u>	<u>117</u>	<u>2,320</u>	<u>7,413</u>	<u>32,500</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	668,283	934,884	94	2,320	7,413	32,500
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>668,283</u>	<u>934,884</u>	<u>94</u>	<u>2,320</u>	<u>7,413</u>	<u>32,500</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)						
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year, as restated	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Special Revenue Funds							
WIA SWA TANF Replacement (2770)	WIA SWA ARRA (2771)	WIA SWA Welfare (2772)	Wagner- Peysen MI NCRC (2773)	Employment Services (2774)	WIA ARRA NEG (2775)	WIA Dislocated Worker ARRA (2777)	WIA Admin ARRA (2778)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
220,152	82,511	2,010	-	36,318	1,131,729	42,894	8,667
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>220,152</u>	<u>82,511</u>	<u>2,010</u>	<u>-</u>	<u>36,318</u>	<u>1,131,729</u>	<u>42,894</u>	<u>8,667</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
220,152	82,511	2,010	-	36,318	1,131,729	42,894	8,667
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>220,152</u>	<u>82,511</u>	<u>2,010</u>	<u>-</u>	<u>36,318</u>	<u>1,131,729</u>	<u>42,894</u>	<u>8,667</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenue, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (continued)

For the Year Ended September 30, 2011

	Special Revenue Funds					
	Wagner Peysers ARRA ECAR (2781)	Reemploy- ment ARRA (2782)	WIA SWA ARRA RCAR (2783)	WIA SAG ARRA (2784)	Regional Entr Collabor- ative (2785)	WIA SWA ARRA Add'l Adult/ DLW (2786)
Revenue						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	3,540	56,034	7,092	457,827	-	161,207
State	-	-	932	-	144,263	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenue	<u>3,540</u>	<u>56,034</u>	<u>8,024</u>	<u>457,827</u>	<u>144,263</u>	<u>161,207</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	3,540	56,034	8,024	457,827	144,263	161,207
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay						
Total expenditures	<u>3,540</u>	<u>56,034</u>	<u>8,024</u>	<u>457,827</u>	<u>144,263</u>	<u>161,207</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)						
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year, as restated	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Special Revenue Funds							
Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Community Gun Violence (2832)	Project Safe Neighborhood (2834)	Revenue Sharing Reserve (2850)	EDC Loan Revolving (2860)	Rambusch - Ruchs CDBG Grant (2873)	Remonumentation Program (2890)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71,685	-	899	21,000	-	-	-	-
160,577	-	-	-	-	-	-	64,655
-	52,999	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	4,967	-	-
-	-	-	-	-	-	-	-
723	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>232,985</u>	<u>52,999</u>	<u>899</u>	<u>21,000</u>	<u>-</u>	<u>4,967</u>	<u>-</u>	<u>64,655</u>
-	38,325	-	-	-	25,821	-	-
-	-	899	-	-	-	-	-
262,967	-	-	-	-	-	-	-
-	-	-	21,000	-	-	-	-
-	-	-	-	-	-	-	81,675
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>262,967</u>	<u>38,325</u>	<u>899</u>	<u>21,000</u>	<u>-</u>	<u>25,821</u>	<u>-</u>	<u>81,675</u>
(29,982)	14,674	-	-	-	(20,854)	-	(17,020)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
29,982	-	-	-	-	-	-	17,020
-	-	-	-	(547,381)	-	-	-
-	-	-	-	-	-	-	-
<u>29,982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(547,381)</u>	<u>-</u>	<u>-</u>	<u>17,020</u>
-	14,674	-	-	(547,381)	(20,854)	-	-
1,058	21,650	-	-	547,381	160,532	3,549	-
<u>\$ 1,058</u>	<u>\$ 36,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,678</u>	<u>\$ 3,549</u>	<u>\$ -</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenue, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (continued)

For the Year Ended September 30, 2011

	Special Revenue Funds				
	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Trust (2940)	Mental Health Buildings (2970)	Quality of Victim Restitution (2980)
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:					
Federal	-	28,636	-	-	-
State	1,053,616	4,002,997	20,156	-	-
Local	-	-	-	-	-
Charges for services	-	-	-	-	2,654
Fines and forfeitures	-	-	-	-	-
Investment income	-	-	-	22	176
Rentals	-	-	-	422,947	-
Contributions from private sources	-	-	-	-	-
Other	72,426	295,332	-	-	-
Total revenue	1,126,042	4,326,965	20,156	422,969	2,830
Expenditures					
Current:					
General government	-	-	-	-	7,435
Judicial	-	-	-	-	-
Public safety	-	-	-	-	-
Health	1,120,738	8,610,829	-	412,454	-
Welfare	-	-	20,086	-	-
Cultural	-	-	-	-	-
Recreation	-	-	-	-	-
Other	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	1,120,738	8,610,829	20,086	412,454	7,435
Revenue over (under) expenditures	5,304	(4,283,864)	70	10,515	(4,605)
Other financing sources (uses)					
Proceeds of refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Transfers in	14,696	4,283,864	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	14,696	4,283,864	-	-	-
Net change in fund balances	20,000	-	70	10,515	(4,605)
Fund balances, beginning of year, as restated	-	-	-	6,871	50,650
Fund balances, end of year	\$ 20,000	\$ -	\$ 70	\$ 17,386	\$ 46,045

Debt Service Funds			Capital Projects Funds				
Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)	Hall of Justice (4130)	CMH Apple Building (4140)	Laketon Township Sewer (4634)	Public Improvement (4930)	Capital Improvement (4960)
\$ 1,352,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,341	25	151	-	956	-	16,060	-
-	-	359,088	-	-	-	12,500	-
-	-	-	-	-	-	-	-
-	-	-	-	-	564	-	-
<u>1,355,534</u>	<u>25</u>	<u>359,239</u>	<u>-</u>	<u>956</u>	<u>564</u>	<u>28,560</u>	<u>-</u>
-	48,821	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	504	-	-	564	-	-
-	-	-	-	-	-	-	-
504	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	500,403	204
1,035,000	285,000	150,000	-	-	-	-	-
209,925	168,538	360,695	-	-	-	-	-
-	-	-	1,170,260	42,494	-	-	-
<u>1,245,429</u>	<u>502,359</u>	<u>511,199</u>	<u>1,170,260</u>	<u>42,494</u>	<u>564</u>	<u>500,403</u>	<u>204</u>
110,105	(502,334)	(151,960)	(1,170,260)	(41,538)	-	(471,843)	(204)
-	4,685,000	-	-	-	-	95,000	-
-	(4,637,620)	-	-	-	-	-	-
-	454,954	150,918	1,170,260	-	-	14,496	-
-	-	-	-	-	-	(1,500,260)	-
-	-	-	-	-	-	7,422	-
-	502,334	150,918	1,170,260	-	-	(1,383,342)	-
110,105	-	(1,042)	-	(41,538)	-	(1,855,185)	(204)
322,072	93,720	148,612	-	280,860	-	5,378,014	337,234
<u>\$ 432,177</u>	<u>\$ 93,720</u>	<u>\$ 147,570</u>	<u>\$ -</u>	<u>\$ 239,322</u>	<u>\$ -</u>	<u>\$ 3,522,829</u>	<u>\$ 337,030</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenue, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (concluded)

For the Year Ended September 30, 2011

	Permanent Funds		Total
	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	
Revenue			
Taxes	\$ -	\$ -	\$ 2,515,353
Grants and contributions:			
Federal	-	-	13,938,937
State	-	-	8,198,526
Local	-	-	150,464
Charges for services	-	-	3,088,553
Fines and forfeitures	-	-	461
Investment income	942	35	31,656
Rentals	-	11,502	806,037
Contributions from private sources	-	-	6,768
Other	-	-	720,198
Total revenue	942	11,537	29,456,953
Expenditures			
Current:			
General government	500	11,272	1,441,134
Judicial	-	-	370,798
Public safety	-	-	1,837,709
Health	-	-	18,622,683
Welfare	-	-	11,597,648
Cultural	-	-	82,179
Recreation	-	-	615,581
Other	-	-	500,607
Debt service:			
Principal	-	-	1,470,000
Interest and fiscal charges	-	-	739,158
Capital outlay	-	-	1,313,946
Total expenditures	500	11,272	38,591,443
Revenue over (under) expenditures	442	265	(9,134,490)
Other financing sources (uses)			
Proceeds of refunding bonds	-	-	4,780,000
Payment to refunded bond escrow agent	-	-	(4,637,620)
Transfers in	-	-	9,166,652
Transfers out	-	-	(2,224,152)
Proceeds from sale of capital assets	-	-	7,422
Total other financing sources (uses)	-	-	7,092,302
Net change in fund balances	442	265	(2,042,188)
Fund balances, beginning of year, as restated	37,170	9,262	8,951,298
Fund balances, end of year	\$ 37,612	\$ 9,527	\$ 6,909,110

concluded



COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	Cooperative Reimbursement Prosecutor (1150)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	219,249	217,533	(1,716)
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	-	-
Total revenue	<u>219,249</u>	<u>217,533</u>	<u>(1,716)</u>
Expenditures			
Current:			
General government	332,195	347,210	15,015
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	-	-	-
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>332,195</u>	<u>347,210</u>	<u>15,015</u>
Revenue over (under) expenditures	<u>(112,946)</u>	<u>(129,677)</u>	<u>(16,731)</u>
Other financing sources (uses)			
Transfers in	112,946	129,677	16,731
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>112,946</u>	<u>129,677</u>	<u>16,731</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year, as restated	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Sobriety Court (1170)			Emergency Services (1190)			Marine Safety (1200)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
250,344	243,542	(6,802)	21,026	112,898	91,872	-	-	-
90,000	90,708	708	-	-	-	103,846	91,793	(12,053)
-	-	-	-	-	-	-	-	-
82,000	87,870	5,870	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	200	200	-
-	-	-	19,696	11,350	(8,346)	-	200	200
<u>422,344</u>	<u>422,120</u>	<u>(224)</u>	<u>40,722</u>	<u>124,248</u>	<u>83,526</u>	<u>104,046</u>	<u>92,193</u>	<u>(11,853)</u>
-	-	-	-	-	-	-	-	-
414,515	369,899	(44,616)	-	-	-	-	-	-
-	-	-	205,487	171,867	(33,620)	135,533	125,564	(9,969)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	93,204	93,204	-	-	-
<u>414,515</u>	<u>369,899</u>	<u>(44,616)</u>	<u>205,487</u>	<u>265,071</u>	<u>59,584</u>	<u>135,533</u>	<u>125,564</u>	<u>(9,969)</u>
<u>7,829</u>	<u>52,221</u>	<u>44,392</u>	<u>(164,765)</u>	<u>(140,823)</u>	<u>23,942</u>	<u>(31,487)</u>	<u>(33,371)</u>	<u>(1,884)</u>
-	-	-	166,721	143,083	(23,638)	31,487	33,371	1,884
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>166,721</u>	<u>143,083</u>	<u>(23,638)</u>	<u>31,487</u>	<u>33,371</u>	<u>1,884</u>
7,829	52,221	44,392	1,956	2,260	304	-	-	-
<u>66,950</u>	<u>66,950</u>	<u>-</u>	<u>28,003</u>	<u>28,003</u>	<u>-</u>	<u>17,723</u>	<u>17,723</u>	<u>-</u>
<u>\$ 74,779</u>	<u>119,171</u>	<u>\$ 44,392</u>	<u>\$ 29,959</u>	<u>\$ 30,263</u>	<u>\$ 304</u>	<u>\$ 17,723</u>	<u>\$ 17,723</u>	<u>\$ -</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	Highway Safety Programs (1210)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	88,860	48,953	(39,907)
State	179,670	159,000	(20,670)
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	1,197	1,197
Total revenue	<u>268,530</u>	<u>209,150</u>	<u>(59,380)</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	311,320	283,220	(28,100)
Health	-	-	-
Welfare	-	-	-
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>311,320</u>	<u>283,220</u>	<u>(28,100)</u>
Revenue over (under) expenditures	<u>(42,790)</u>	<u>(74,070)</u>	<u>(31,280)</u>
Other financing sources (uses)			
Transfers in	42,790	74,070	31,280
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>42,790</u>	<u>74,070</u>	<u>31,280</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year, as restated	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Township Patrols (1240)			Park Fund (2080)			Prosecutor Family Court (2140)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	79,500	69,842	(9,658)
93,806	97,465	3,659	-	-	-	-	-	-
-	-	-	671,350	663,457	(7,893)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	350	348	(2)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	83	83	-	-	-
<u>93,806</u>	<u>97,465</u>	<u>3,659</u>	<u>671,700</u>	<u>663,888</u>	<u>(7,812)</u>	<u>79,500</u>	<u>69,842</u>	<u>(9,658)</u>
-	-	-	-	-	-	224,713	225,467	754
-	-	-	-	-	-	-	-	-
212,830	217,114	4,284	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	637,223	615,581	(21,642)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>212,830</u>	<u>217,114</u>	<u>4,284</u>	<u>637,223</u>	<u>615,581</u>	<u>(21,642)</u>	<u>224,713</u>	<u>225,467</u>	<u>754</u>
<u>(119,024)</u>	<u>(119,649)</u>	<u>(625)</u>	<u>34,477</u>	<u>48,307</u>	<u>13,830</u>	<u>(145,213)</u>	<u>(155,625)</u>	<u>(10,412)</u>
119,024	119,649	625	-	-	-	145,213	147,963	2,750
-	-	-	(30,000)	(25,882)	4,118	-	-	-
-	-	-	-	-	-	-	-	-
<u>119,024</u>	<u>119,649</u>	<u>625</u>	<u>(30,000)</u>	<u>(25,882)</u>	<u>4,118</u>	<u>145,213</u>	<u>147,963</u>	<u>2,750</u>
-	-	-	4,477	22,425	17,948	-	(7,662)	(7,662)
-	-	-	170,365	170,365	-	7,662	7,662	-
<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 174,842</u>	<u>\$ 192,790</u>	<u>\$ 17,948</u>	<u>\$ 7,662</u>	<u>\$ -</u>	<u>\$ (7,662)</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	Safe Schools/Healthy Students (2152)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Charges for services	68,755	69,781	1,026
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	-	-
Total revenue	<u>68,755</u>	<u>69,781</u>	<u>1,026</u>
Expenditures			
Current:			
General government	70,466	69,199	(1,267)
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	-	-	-
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>70,466</u>	<u>69,199</u>	<u>(1,267)</u>
Revenue over (under) expenditures	<u>(1,711)</u>	<u>582</u>	<u>2,293</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(1,711)</u>	<u>582</u>	<u>2,293</u>
Fund balances, beginning of year, as restated	<u>1,711</u>	<u>1,711</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 2,293</u>	<u>\$ 2,293</u>

Health Department (2210)			Accommodations Tax (2300)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ 253,734	308,713	\$ 54,979	\$ 789,000	\$ 854,447	\$ 65,447
-	2,532,973	2,532,973	-	-	-
3,393,496	1,041,277	(2,352,219)	-	-	-
-	-	-	-	-	-
2,083,785	2,087,218	3,433	-	-	-
-	-	-	-	-	-
654	322	(332)	250	316	66
-	-	-	-	-	-
5,300	4,845	(455)	-	-	-
480,508	313,095	(167,413)	-	-	-
<u>6,217,477</u>	<u>6,288,443</u>	<u>70,966</u>	<u>789,250</u>	<u>854,763</u>	<u>65,513</u>
-	-	-	624,548	583,394	(41,154)
-	-	-	-	-	-
-	-	-	-	-	-
8,274,674	8,333,633	58,959	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,452	7,201	(5,251)	-	-	-
<u>8,287,126</u>	<u>8,340,834</u>	<u>53,708</u>	<u>624,548</u>	<u>583,394</u>	<u>(41,154)</u>
<u>(2,069,649)</u>	<u>(2,052,391)</u>	<u>17,258</u>	<u>164,702</u>	<u>271,369</u>	<u>106,667</u>
2,036,732	2,061,664	24,932	-	-	-
-	-	-	(130,629)	(130,629)	-
-	-	-	-	-	-
<u>2,036,732</u>	<u>2,061,664</u>	<u>24,932</u>	<u>(130,629)</u>	<u>(130,629)</u>	<u>-</u>
(32,917)	9,273	42,190	34,073	140,740	106,667
35,284	35,284	-	153,091	153,091	-
<u>\$ 2,367</u>	<u>44,557</u>	<u>\$ 42,190</u>	<u>\$ 187,164</u>	<u>\$ 293,831</u>	<u>\$ 106,667</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	CDBG Housing Grant (2470)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	-	-	-
State	-	129	129
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	1,350	804	(546)
Total revenue	<u>1,350</u>	<u>933</u>	<u>(417)</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	651	14	(637)
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>651</u>	<u>14</u>	<u>(637)</u>
Revenue over (under) expenditures	<u>699</u>	<u>919</u>	<u>220</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>699</u>	<u>919</u>	<u>220</u>
Fund balances, beginning of year, as restated	<u>1,204</u>	<u>1,204</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,903</u>	<u>\$ 2,123</u>	<u>\$ 220</u>

Neighborhood Stabilization Grant (2471)			Deed Automation Fund (2560)			Community Corrections (2640)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
185,000	144,407	(40,593)	-	-	-	150,000	130,649	(19,351)
-	-	-	-	-	-	242,415	155,670	(86,745)
-	-	-	170,000	164,080	(5,920)	13,668	13,493	(175)
-	-	-	-	-	-	-	-	-
-	-	-	7,000	3,772	(3,228)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	27,600	24,322	(3,278)
<u>185,000</u>	<u>144,407</u>	<u>(40,593)</u>	<u>177,000</u>	<u>167,852</u>	<u>(9,148)</u>	<u>433,683</u>	<u>324,134</u>	<u>(109,549)</u>
-	-	-	453,889	83,690	(370,199)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	731,614	639,746	(91,868)
-	-	-	-	-	-	-	-	-
185,000	144,407	(40,593)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>185,000</u>	<u>144,407</u>	<u>(40,593)</u>	<u>453,889</u>	<u>83,690</u>	<u>(370,199)</u>	<u>731,614</u>	<u>639,746</u>	<u>(91,868)</u>
-	-	-	(276,889)	84,162	361,051	(297,931)	(315,612)	(17,681)
-	-	-	-	-	-	297,931	315,612	17,681
-	-	-	(20,000)	(20,000)	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>297,931</u>	<u>315,612</u>	<u>17,681</u>
-	-	-	(296,889)	64,162	361,051	-	-	-
-	-	-	1,032,331	1,032,331	-	-	-	-
<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 735,442</u>	<u>\$ 1,096,493</u>	<u>\$ 361,051</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	TNT Drug (2671)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	6,320	2,925	(3,395)
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	280	280	-
Investment income	100	106	6
Rentals	-	-	-
Contributions from private sources	1,000	1,000	-
Other	-	25	25
Total revenue	<u>7,700</u>	<u>4,336</u>	<u>(3,364)</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	15,382	15,470	88
Health	-	-	-
Welfare	-	-	-
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	20,000	-	(20,000)
Total expenditures	<u>35,382</u>	<u>15,470</u>	<u>(19,912)</u>
Revenue over (under) expenditures	<u>(27,682)</u>	<u>(11,134)</u>	<u>16,548</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(27,682)</u>	<u>(11,134)</u>	<u>16,548</u>
Fund balances, beginning of year, as restated	<u>32,641</u>	<u>32,641</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,959</u>	<u>\$ 21,507</u>	<u>\$ 16,548</u>



Prosecutor Drug (2672)			JAG-ARRA (2675)			Comm. Capacity Building - ARRA (2676)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	197,593	120,321	(77,272)	163,169	138,588	(24,581)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5,698	181	(5,517)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>5,698</u>	<u>181</u>	<u>(5,517)</u>	<u>197,593</u>	<u>120,321</u>	<u>(77,272)</u>	<u>163,169</u>	<u>138,588</u>	<u>(24,581)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5,698	1,440	(4,258)	197,593	120,321	(77,272)	-	-	-
-	-	-	-	-	-	168,543	143,961	(24,582)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>5,698</u>	<u>1,440</u>	<u>(4,258)</u>	<u>197,593</u>	<u>120,321</u>	<u>(77,272)</u>	<u>168,543</u>	<u>143,961</u>	<u>(24,582)</u>
-	(1,259)	(1,259)	-	-	-	(5,374)	(5,373)	1
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,374	5,373	(1)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	<u>5,374</u>	<u>5,373</u>	<u>(1)</u>
-	(1,259)	(1,259)	-	-	-	-	-	-
5,698	5,698	-	-	-	-	-	-	-
<u>\$ 5,698</u>	<u>4,439</u>	<u>\$ (1,259)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	WIRED (2730)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	61,500	61,401	(99)
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	-	-
Total revenue	<u>61,500</u>	<u>61,401</u>	<u>(99)</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	61,500	61,401	(99)
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>61,500</u>	<u>61,401</u>	<u>(99)</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	Summer Youth ARRA (2742)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	39,000	35,115	(3,885)
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	-	-
Total revenue	<u>39,000</u>	<u>35,115</u>	<u>(3,885)</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	39,000	35,115	(3,885)
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>39,000</u>	<u>35,115</u>	<u>(3,885)</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year, as restated	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Jobs Education & Training (2751)			Food Stamp Program (2759)			WIA Admin Pool (2760)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,382,158	2,382,158	-	169,051	45,282	(123,769)	412,954	172,331	(240,623)
1,396,663	1,142,911	(253,752)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	800	800	-	-	-	-	-	-
<u>3,778,821</u>	<u>3,525,869</u>	<u>(252,952)</u>	<u>169,051</u>	<u>45,282</u>	<u>(123,769)</u>	<u>412,954</u>	<u>172,331</u>	<u>(240,623)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,778,821	3,525,869	(252,952)	169,051	45,282	(123,769)	412,954	171,544	(241,410)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	787	787
<u>3,778,821</u>	<u>3,525,869</u>	<u>(252,952)</u>	<u>169,051</u>	<u>45,282</u>	<u>(123,769)</u>	<u>412,954</u>	<u>172,331</u>	<u>(240,623)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	WIA Adult Program (2761)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	1,094,455	491,221	(603,234)
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	-	-
Total revenue	<u>1,094,455</u>	<u>491,221</u>	<u>(603,234)</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	1,094,455	491,221	(603,234)
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>1,094,455</u>	<u>491,221</u>	<u>(603,234)</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WIA Youth Programs (2762)			WIA Dislocated Worker Program (2763)			Strategic Planning (2765)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,730,598	668,283	(1,062,315)	1,386,175	934,884	(451,291)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	117	117
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,730,598</u>	<u>668,283</u>	<u>(1,062,315)</u>	<u>1,386,175</u>	<u>934,884</u>	<u>(451,291)</u>	<u>-</u>	<u>117</u>	<u>117</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,730,598	668,283	(1,062,315)	1,386,175	934,884	(451,291)	-	94	94
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,730,598</u>	<u>668,283</u>	<u>(1,062,315)</u>	<u>1,386,175</u>	<u>934,884</u>	<u>(451,291)</u>	<u>-</u>	<u>94</u>	<u>94</u>
-	-	-	-	-	-	-	23	23
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	23	23
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 23</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	WIA Youth Statewide (2766)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	5,180	2,320	(2,860)
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	-	-
Total revenue	<u>5,180</u>	<u>2,320</u>	<u>(2,860)</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	5,180	2,320	(2,860)
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>5,180</u>	<u>2,320</u>	<u>(2,860)</u>
Revenue over (under) expenditures	-	-	-
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year, as restated	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WIA Service Center Operations (2767)			Incumbent Worker Statewide (2768)			WIA SWA TANF Replacement (2770)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20,941	7,413	(13,528)	59,586	32,500	(27,086)	220,152	220,152	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,941	7,413	(13,528)	59,586	32,500	(27,086)	220,152	220,152	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,941	7,413	(13,528)	59,586	32,500	(27,086)	220,152	220,152	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	WIA SWA ARRA (2771)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	253,305	82,511	(170,794)
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	-	-
Total revenue	<u>253,305</u>	<u>82,511</u>	<u>(170,794)</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	253,305	82,511	(170,794)
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>253,305</u>	<u>82,511</u>	<u>(170,794)</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WIA SWA ARRA (2772)			Employment Services (2774)			WIA ARRA NEG (2775)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,010	2,010	-	36,616	36,318	(298)	1,313,603	1,131,729	(181,874)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,010</u>	<u>2,010</u>	<u>-</u>	<u>36,616</u>	<u>36,318</u>	<u>(298)</u>	<u>1,313,603</u>	<u>1,131,729</u>	<u>(181,874)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,010	2,010	-	36,616	36,318	(298)	1,313,603	1,131,729	(181,874)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,010</u>	<u>2,010</u>	<u>-</u>	<u>36,616</u>	<u>36,318</u>	<u>(298)</u>	<u>1,313,603</u>	<u>1,131,729</u>	<u>(181,874)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	WIA Dislocated Worker ARRA (2777)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	-	\$ -
Grants and contributions:			
Federal	42,900	42,894	(6)
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	-	-
Total revenue	<u>42,900</u>	<u>42,894</u>	<u>(6)</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	42,900	42,894	(6)
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>42,900</u>	<u>42,894</u>	<u>(6)</u>
Revenue over (under) expenditures	-	-	-
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year, as restated	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	WIA SWA ARRA RCAR (2783)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	92,335	7,092	(85,243)
State	-	932	932
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	-	-
Total revenue	<u>92,335</u>	<u>8,024</u>	<u>(84,311)</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	92,335	8,024	(84,311)
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>92,335</u>	<u>8,024</u>	<u>(84,311)</u>
Revenue over (under) expenditures	-	-	-
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year, as restated	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WIA SAG ARRA (2784)			Regional Entr Collaborative (2785)			WIA SWA ARRA Add'l Adult/DLW (2786)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
457,827	457,827	-	-	-	-	161,207	161,207	-
-	-	-	148,808	144,263	(4,545)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>457,827</u>	<u>457,827</u>	<u>-</u>	<u>148,808</u>	<u>144,263</u>	<u>(4,545)</u>	<u>161,207</u>	<u>161,207</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
457,827	457,827	-	148,808	144,263	(4,545)	161,207	161,207	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>457,827</u>	<u>457,827</u>	<u>-</u>	<u>148,808</u>	<u>144,263</u>	<u>(4,545)</u>	<u>161,207</u>	<u>161,207</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	Crime Victims' Rights (2800)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	72,089	71,685	(404)
State	160,557	160,577	20
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	723	723	-
Other	-	-	-
Total revenue	<u>233,369</u>	<u>232,985</u>	<u>(384)</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	243,073	262,967	19,894
Health	-	-	-
Welfare	-	-	-
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>243,073</u>	<u>262,967</u>	<u>19,894</u>
Revenue over (under) expenditures	<u>(9,704)</u>	<u>(29,982)</u>	<u>(20,278)</u>
Other financing sources (uses)			
Transfers in	9,704	29,982	20,278
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>9,704</u>	<u>29,982</u>	<u>20,278</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year, as restated	<u>1,058</u>	<u>1,058</u>	-
Fund balances, end of year	<u>\$ 1,058</u>	<u>\$ 1,058</u>	<u>\$ -</u>

Muskegon Area Stormwater Committee (2823)			Community Gun Violence (2832)			Project Safe Neighborhood (2834)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	899	899	-	21,000	21,000	-
-	-	-	-	-	-	-	-	-
53,000	52,999	(1)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
53,000	52,999	(1)	899	899	-	21,000	21,000	-
74,650	38,325	(36,325)	-	-	-	-	-	-
-	-	-	899	899	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	21,000	21,000	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
74,650	38,325	(36,325)	899	899	-	21,000	21,000	-
(21,650)	14,674	36,324	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(21,650)	14,674	36,324	-	-	-	-	-	-
21,650	21,650	-	-	-	-	-	-	-
\$ -	\$ 36,324	\$ 36,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	Revenue Sharing Reserve (2850)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	-	-	-
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(547,381)	(547,381)	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(547,381)</u>	<u>(547,381)</u>	<u>-</u>
Net change in fund balances	(547,381)	(547,381)	-
Fund balances, beginning of year, as restated	547,381	547,381	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EDC Loan Revolving (2860)			Rambusch-Ruchs CDBG Grant (2873)			Remonumentation Program (2890)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	64,655	64,655	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,000	4,967	3,967	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,000</u>	<u>4,967</u>	<u>3,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,655</u>	<u>64,655</u>	<u>-</u>
1,081	25,821	24,740	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	78,475	81,675	3,200
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,081</u>	<u>25,821</u>	<u>24,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,475</u>	<u>81,675</u>	<u>3,200</u>
<u>(81)</u>	<u>(20,854)</u>	<u>(20,773)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,820)</u>	<u>(17,020)</u>	<u>(3,200)</u>
-	-	-	-	-	-	13,820	17,020	3,200
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,820</u>	<u>17,020</u>	<u>3,200</u>
(81)	(20,854)	(20,773)	-	-	-	-	-	-
160,532	160,532	-	3,549	3,549	-	-	-	-
<u>\$160,451</u>	<u>\$ 139,678</u>	<u>\$ (20,773)</u>	<u>\$ 3,549</u>	<u>\$ 3,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	Social Welfare (2910)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	-	-	-
State	950,000	1,053,616	103,616
Local	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	50,000	72,426	22,426
Total revenue	<u>1,000,000</u>	<u>1,126,042</u>	<u>126,042</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health	1,012,381	1,120,738	108,357
Welfare	-	-	-
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>1,012,381</u>	<u>1,120,738</u>	<u>108,357</u>
Revenue over (under) expenditures	<u>(12,381)</u>	<u>5,304</u>	<u>17,685</u>
Other financing sources (uses)			
Transfers in	12,381	14,696	2,315
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>12,381</u>	<u>14,696</u>	<u>2,315</u>
Net change in fund balances	-	20,000	20,000
Fund balances, beginning of year, as restated	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

Child Care Facility (2920)			Veteran's Trust (2940)			Mental Health Building (2970)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28,500	28,636	136	-	-	-	-	-	-
3,747,362	4,002,997	255,635	30,725	20,156	(10,569)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	22	22
-	-	-	-	-	-	422,964	422,947	(17)
-	-	-	-	-	-	-	-	-
236,205	295,332	59,127	-	-	-	-	-	-
<u>4,012,067</u>	<u>4,326,965</u>	<u>314,898</u>	<u>30,725</u>	<u>20,156</u>	<u>(10,569)</u>	<u>422,964</u>	<u>422,969</u>	<u>5</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
8,051,177	8,610,829	559,652	-	-	-	370,842	412,454	41,612
-	-	-	30,725	20,086	(10,639)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>8,051,177</u>	<u>8,610,829</u>	<u>559,652</u>	<u>30,725</u>	<u>20,086</u>	<u>(10,639)</u>	<u>370,842</u>	<u>412,454</u>	<u>41,612</u>
<u>(4,039,110)</u>	<u>(4,283,864)</u>	<u>(244,754)</u>	<u>-</u>	<u>70</u>	<u>70</u>	<u>52,122</u>	<u>10,515</u>	<u>(41,607)</u>
4,039,110	4,283,864	244,754	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>4,039,110</u>	<u>4,283,864</u>	<u>244,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	70	70	52,122	10,515	(41,607)
-	-	-	-	-	-	6,871	6,871	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 70</u>	<u>\$ 58,993</u>	<u>\$ 17,386</u>	<u>\$ (41,607)</u>

COUNTY OF MUSKEGON, MICHIGAN

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

Nonmajor Special Revenue Funds
For the Year Ended September 30, 2011

	Quality of Victim Restitution (2980)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Charges for services	4,500	2,654	(1,846)
Fines and forfeitures	-	-	-
Investment income	300	176	(124)
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	-	-
Total revenue	<u>4,800</u>	<u>2,830</u>	<u>(1,970)</u>
Expenditures			
Current:			
General government	5,000	7,435	2,435
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	-	-	-
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>5,000</u>	<u>7,435</u>	<u>2,435</u>
Revenue over (under) expenditures	<u>(200)</u>	<u>(4,605)</u>	<u>(4,405)</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(200)	(4,605)	(4,405)
Fund balances, beginning of year, as restated	50,650	50,650	-
Fund balances, end of year	<u>\$ 50,450</u>	<u>\$ 46,045</u>	<u>\$ (4,405)</u>

COUNTY OF MUSKEGON, MICHIGAN

■ Nonmajor Enterprise 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 (5100,5167,5168)--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.

Tax Forfeitures (5110)--to record the revenues from, and the expenditures made for, the County Treasurer performing forfeiture/foreclosure procedures on delinquent tax properties.

2009 Delinquent Tax Revolving Fund (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.

2010 Delinquent Tax Revolving Fund (5160)--accounts for funds collected on delinquent taxes and held for debt payments and future appropriations to the General fund of the County for operations or to other funds for debt repayments on bond issues.

Solid Waste (5710)--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 Area Transit (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).

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

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet

Nonmajor Enterprise Funds

September 30, 2011

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)
Assets			
Current assets:			
Cash and investments	\$ 619,215	\$ -	\$ 530,986
Receivables, net:			
Accounts	-	-	27,522
Due from other governments	-	-	-
Accrued interest	708	190	506
Taxes	-	860,403	-
Inventories	-	-	-
Restricted assets	-	-	-
Total current assets	619,923	860,593	559,014
Noncurrent assets:			
Advances to component units	-	-	300,000
Capital assets not being depreciated	-	-	-
Capital assets being depreciated, net	1,241,660	-	-
Total noncurrent assets	1,241,660	-	300,000
Total assets	1,861,583	860,593	859,014
Liabilities			
Current liabilities:			
Negative equity in pooled cash	-	664,829	-
Accounts payable	1,361	-	3,564
Accrued liabilities	107	-	1,289
Due to other governments	-	-	-
Accrued interest	-	-	-
Current portion of accrued closure cost and sludge removal	-	-	-
Current portion of compensated absences	-	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	1,468	664,829	4,853
Noncurrent liabilities, net of current portion:			
Accrued closure cost and sludge removal	-	-	-
Compensated absences	-	-	-
Long-term debt	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	1,468	664,829	4,853
Net assets			
Invested in capital assets, net of related debt	1,241,660	-	-
Unrestricted	618,455	195,764	854,161
Total net assets	\$ 1,860,115	\$ 195,764	\$ 854,161

2009 Delinquent Tax Revolving (5169)	2010 Delinquent Tax Revolving (5160)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ 7,942,071	\$ 2,993,716	\$ 11,337,420	\$ 1,066,834	\$ -	\$ 121,109	\$ 24,611,351
-	685	190,756	-	-	-	218,963
-	-	-	-	971,980	-	971,980
6,953	839	11,190	1,165	136	157	21,844
5,529,479	10,491,137	-	-	-	-	16,881,019
-	-	8,330	-	-	-	8,330
-	-	1,713,615	131,898	-	-	1,845,513
<u>13,478,503</u>	<u>13,486,377</u>	<u>13,261,311</u>	<u>1,199,897</u>	<u>972,116</u>	<u>121,266</u>	<u>44,559,000</u>
-	-	-	-	-	-	300,000
-	-	1,110,226	-	199,487	-	1,309,713
-	-	4,008,659	80,406	6,301,335	12,375	11,644,435
-	-	5,118,885	80,406	6,500,822	12,375	13,254,148
<u>13,478,503</u>	<u>13,486,377</u>	<u>18,380,196</u>	<u>1,280,303</u>	<u>7,472,938</u>	<u>133,641</u>	<u>57,813,148</u>
-	-	-	-	263,083	-	927,912
382	-	307,204	-	26,194	-	338,705
-	-	19,847	1,538	59,831	593	83,205
-	-	-	-	126,499	-	126,499
16,917	51,037	-	-	-	-	67,954
-	-	189,777	34,775	-	-	224,552
-	-	58,728	1,746	86,462	-	146,936
3,500,000	8,000,000	-	-	-	-	11,500,000
<u>3,517,299</u>	<u>8,051,037</u>	<u>575,556</u>	<u>38,059</u>	<u>562,069</u>	<u>593</u>	<u>13,415,763</u>
-	-	9,410,772	969,454	-	-	10,380,226
-	-	77,849	2,314	114,612	-	194,775
-	4,000,000	-	-	-	-	4,000,000
-	4,000,000	9,488,621	971,768	114,612	-	14,575,001
<u>3,517,299</u>	<u>12,051,037</u>	<u>10,064,177</u>	<u>1,009,827</u>	<u>676,681</u>	<u>593</u>	<u>27,990,764</u>
-	-	5,118,885	80,406	6,500,822	12,375	12,954,148
9,961,204	1,435,340	3,197,134	190,070	295,435	120,673	16,868,236
<u>\$ 9,961,204</u>	<u>\$ 1,435,340</u>	<u>\$ 8,316,019</u>	<u>\$ 270,476</u>	<u>\$ 6,796,257</u>	<u>\$ 133,048</u>	<u>\$ 29,822,384</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenue, Expenses and Changes in Fund Net Assets Nonmajor Enterprise Funds For the Year Ended September 30, 2011

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)
Operating revenue			
Charges for services	\$ -	\$ -	\$ 570,417
Interest and penalties	-	18,084	-
Other	-	-	890
Total operating revenue	<u>-</u>	<u>18,084</u>	<u>571,307</u>
Operating expenses			
Salaries and fringes	5,453	-	-
Supplies and other operating expenses	33,604	3,376	383,541
Depreciation and amortization	62,813	-	-
Total operating expenses	<u>101,870</u>	<u>3,376</u>	<u>383,541</u>
Operating income (loss)	<u>(101,870)</u>	<u>14,708</u>	<u>187,766</u>
Nonoperating revenue (expense)			
Operating subsidies	-	-	-
Grants and contributions:			
State	-	-	-
Interest income	2,382	352	1,585
Interest expense	-	-	-
Gain on sale of capital assets	-	-	-
Total non-operating revenue (expense)	<u>2,382</u>	<u>352</u>	<u>1,585</u>
Income (loss) before transfers	(99,488)	15,060	189,351
Transfers in	-	-	-
Transfers out	-	(50,000)	(50,000)
Change in net assets	<u>(99,488)</u>	<u>(34,940)</u>	<u>139,351</u>
Net assets, beginning of year, as restated	<u>1,959,603</u>	<u>230,704</u>	<u>714,810</u>
Net assets, end of year	<u>\$1,860,115</u>	<u>\$ 195,764</u>	<u>\$ 854,161</u>

2009 Delinquent Tax Revolving (5169)	2010 Delinquent Tax Revolving (5160)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ -	\$ 647,099	\$ 2,771,728	\$ -	\$ 646,203	\$ 64,060	\$ 4,699,507
1,925,443	876,334	-	-	-	-	2,819,861
-	-	478,933	46,648	1,093	-	527,564
<u>1,925,443</u>	<u>1,523,433</u>	<u>3,250,661</u>	<u>46,648</u>	<u>647,296</u>	<u>64,060</u>	<u>8,046,932</u>
-	-	927,456	83,326	2,405,503	36,120	3,457,858
19,016	38,631	1,872,455	14,297	1,212,566	10,585	3,588,071
-	-	628,368	3,784	537,960	4,500	1,237,425
<u>19,016</u>	<u>38,631</u>	<u>3,428,279</u>	<u>101,407</u>	<u>4,156,029</u>	<u>51,205</u>	<u>8,283,354</u>
<u>1,906,427</u>	<u>1,484,802</u>	<u>(177,618)</u>	<u>(54,759)</u>	<u>(3,508,733)</u>	<u>12,855</u>	<u>(236,422)</u>
-	-	-	-	3,101,705	-	3,101,705
-	-	-	-	50,000	-	50,000
24,755	1,575	40,132	4,206	618	520	76,125
(151,768)	(51,037)	-	-	(1,649)	-	(204,454)
-	-	-	-	2,406	-	2,406
<u>(127,013)</u>	<u>(49,462)</u>	<u>40,132</u>	<u>4,206</u>	<u>3,153,080</u>	<u>520</u>	<u>3,025,782</u>
1,779,414	1,435,340	(137,486)	(50,553)	(355,653)	13,375	2,789,360
24,034	-	25,882	-	37,227	-	87,143
(3,421,974)	-	-	-	-	(37,227)	(3,559,201)
<u>(1,618,526)</u>	<u>1,435,340</u>	<u>(111,604)</u>	<u>(50,553)</u>	<u>(318,426)</u>	<u>(23,852)</u>	<u>(682,698)</u>
<u>11,579,730</u>	<u>-</u>	<u>8,427,623</u>	<u>321,029</u>	<u>7,114,683</u>	<u>156,900</u>	<u>30,505,082</u>
<u>\$ 9,961,204</u>	<u>\$ 1,435,340</u>	<u>\$ 8,316,019</u>	<u>\$ 270,476</u>	<u>\$ 6,796,257</u>	<u>\$ 133,048</u>	<u>\$ 29,822,384</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows Nonmajor Enterprise Funds For the Year Ended September 30, 2011

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)
Cash flows from operating activities			
Receipts from customers and users	\$ 1,031	\$ 18,213	\$ 756,754
Payments to vendors	(41,127)	(3,376)	(379,977)
Payments for personnel services	(5,394)	-	(1,077)
Delinquent taxes purchased	-	-	-
Net cash provided by (used in) operating activities	<u>(45,490)</u>	<u>14,837</u>	<u>375,700</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	-	-	-
Intergovernmental payments	-	(15,189)	(49,472)
Operating subsidies from grants	-	-	-
Federal and/or state grants	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(15,189)</u>	<u>(49,472)</u>
Cash flows from capital and related financing activities			
Proceeds from issuance of long-term debt	-	-	-
Principal paid on long-term debt	-	-	-
Interest paid on long-term debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest received	2,383	352	1,585
Interest paid	-	-	-
Net cash provided by (used in) investing activities	<u>2,383</u>	<u>352</u>	<u>1,585</u>
Net increase (decrease) in cash and investments	(43,107)	-	327,813
Cash and investments, beginning of year	662,322	-	203,173
Cash and investments, end of year	<u>\$ 619,215</u>	<u>\$ -</u>	<u>\$ 530,986</u>

2009 Delinquent Tax Revolving (5169)	2010 Delinquent Tax Revolving (5160)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$15,309,936	\$ 1,521,909	\$ 3,531,107	\$ 47,647	\$ 674,329	\$ 64,409	\$ 21,925,335
(18,797)	(38,631)	(1,389,944)	(60,609)	(996,159)	(10,805)	(2,939,425)
-	-	(922,124)	(84,365)	(2,521,075)	(36,373)	(3,570,408)
-	(10,491,137)	-	-	-	-	(10,491,137)
<u>15,291,139</u>	<u>(9,007,859)</u>	<u>1,219,039</u>	<u>(97,327)</u>	<u>(2,842,905)</u>	<u>17,231</u>	<u>4,924,365</u>
-	-	25,882	-	37,227	-	63,109
(3,198,525)	-	-	-	-	(37,227)	(3,300,413)
-	-	-	-	2,657,554	-	2,657,554
-	-	-	-	50,000	-	50,000
<u>(3,198,525)</u>	<u>-</u>	<u>25,882</u>	<u>-</u>	<u>2,744,781</u>	<u>(37,227)</u>	<u>(529,750)</u>
-	12,000,000	-	-	-	-	12,000,000
(11,000,000)	-	-	-	-	-	(11,000,000)
(178,017)	-	-	-	-	-	(178,017)
-	-	-	-	81,295	-	81,295
-	-	(217,587)	-	(328,051)	-	(545,638)
<u>(11,178,017)</u>	<u>12,000,000</u>	<u>(217,587)</u>	<u>-</u>	<u>(246,756)</u>	<u>-</u>	<u>357,640</u>
24,755	1,575	40,132	4,206	618	520	76,126
-	-	-	-	(1,649)	-	(1,649)
<u>24,755</u>	<u>1,575</u>	<u>40,132</u>	<u>4,206</u>	<u>(1,031)</u>	<u>520</u>	<u>74,477</u>
939,352	2,993,716	1,067,466	(93,121)	(345,911)	(19,476)	4,826,732
7,002,719	-	10,269,954	1,159,955	345,911	140,585	19,784,619
<u>\$ 7,942,071</u>	<u>\$ 2,993,716</u>	<u>\$ 11,337,420</u>	<u>\$ 1,066,834</u>	<u>\$ -</u>	<u>\$ 121,109</u>	<u>\$ 24,611,351</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows Nonmajor Enterprise Funds (concluded) For the Year Ended September 30, 2011

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)
Cash flows from operating activities			
Operating income (loss)	\$ (101,870)	\$ 14,708	\$ 187,766
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	62,813	-	-
Change in:			
Accounts receivable	-	-	184,881
Accrued interest receivable	1,031	129	566
Taxes receivable	-	-	-
Inventories	-	-	-
Restricted assets	-	-	-
Negative equity in pooled cash	-	-	-
Accounts payable	(7,523)	-	3,564
Accrued liabilities	59	-	(1,077)
Accrued closure cost and sludge removal	-	-	-
Accrued compensated absences	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (45,490)</u>	<u>\$ 14,837</u>	<u>\$ 375,700</u>

2009 Delinquent Tax Revolving (5169)	2010 Delinquent Tax Revolving (5160)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ 1,906,427	\$ 1,484,802	\$ (177,618)	\$ (54,759)	\$ (3,508,733)	\$ 12,855	\$ (236,422)
-	-	628,368	3,784	537,960	4,500	1,237,425
-	(685)	273,418	-	26,449	263	484,326
12,060	(839)	7,028	999	584	86	21,644
13,372,433	(10,491,137)	-	-	-	-	2,881,296
-	-	(3,231)	-	-	-	(3,231)
-	-	(101,000)	336	-	-	(100,664)
-	-	-	-	263,083	-	263,083
219	-	231,907	-	(46,676)	(220)	181,271
-	-	(18,035)	(2,215)	(141,462)	(253)	(162,983)
-	-	354,835	(46,648)	-	-	308,187
-	-	23,367	1,176	25,890	-	50,433
<u>\$ 15,291,139</u>	<u>\$ (9,007,859)</u>	<u>\$ 1,219,039</u>	<u>\$ (97,327)</u>	<u>\$ (2,842,905)</u>	<u>\$ 17,231</u>	<u>\$ 4,924,365</u>



COUNTY OF MUSKEGON, MICHIGAN

Internal Service Funds

Office Services (6330)--to account for the general County printing services which provides all common offices with necessary support.

South Campus Facilities (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 account 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 account 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, MICHIGAN

Combining Statement of Net Assets

Internal Service Funds

September 30, 2011

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Assets			
Current assets:			
Cash and investments	\$ 87,015	\$ 20,259	\$ 19,013
Receivable, net:			
Accounts	3,688	-	-
Due from other governments	4,635	-	-
Accrued interest	2	-	-
Due from other funds	-	-	-
Prepaid and other items	-	-	-
Deposits held with others	-	-	-
Total current assets	<u>95,340</u>	<u>20,259</u>	<u>19,013</u>
Noncurrent assets:			
Advances to other funds	-	-	-
Notes receivable	-	-	-
Capital assets not being depreciated	-	-	15,000
Capital assets being depreciated, net	-	-	122,907
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>137,907</u>
Total assets	<u>95,340</u>	<u>20,259</u>	<u>156,920</u>
Liabilities			
Current liabilities:			
Accounts payable	9,552	17,288	606
Accrued liabilities	6,529	2,971	2,067
Accrued interest	-	-	-
Due to other funds	-	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>16,081</u>	<u>20,259</u>	<u>2,673</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences	44,496	-	-
Long-term debt	-	-	-
Total noncurrent liabilities	<u>44,496</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>60,577</u>	<u>20,259</u>	<u>2,673</u>
Net assets			
Invested in capital assets, net of related debt	-	-	137,907
Unrestricted	34,763	-	16,340
Total net assets	<u>\$ 34,763</u>	<u>\$ -</u>	<u>\$ 154,247</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
\$ 446,673	\$ 2,566,210	\$12,043,467	\$ 1,575,109	\$ 16,757,746
-	39	7,808	-	11,535
-	-	-	-	4,635
627	3,312	11,164	-	15,105
-	-	-	2,131,815	2,131,815
-	-	237,400	-	237,400
-	-	232,570	-	232,570
<u>447,300</u>	<u>2,569,561</u>	<u>12,532,409</u>	<u>3,706,924</u>	<u>19,390,806</u>
-	-	750,584	-	750,584
-	-	200,000	-	200,000
-	485,841	-	-	500,841
7,002,552	3,819,332	-	-	10,944,791
<u>7,002,552</u>	<u>4,305,173</u>	<u>950,584</u>	<u>-</u>	<u>12,396,216</u>
<u>7,449,852</u>	<u>6,874,734</u>	<u>13,482,993</u>	<u>3,706,924</u>	<u>31,787,022</u>
-	2,550	812,343	-	842,339
-	60	5,303,104	-	5,314,731
207,357	-	-	-	207,357
-	-	-	26,158	26,158
285,000	-	-	-	285,000
<u>492,357</u>	<u>2,610</u>	<u>6,115,447</u>	<u>26,158</u>	<u>6,675,585</u>
-	567,118	-	-	567,118
-	-	-	-	44,496
6,855,000	-	-	-	6,855,000
<u>6,855,000</u>	<u>567,118</u>	<u>-</u>	<u>-</u>	<u>7,466,614</u>
<u>7,347,357</u>	<u>569,728</u>	<u>6,115,447</u>	<u>26,158</u>	<u>14,142,199</u>
(137,448)	4,305,173	-	-	4,305,632
239,943	1,999,833	7,367,546	3,680,766	13,339,191
<u>\$ 102,495</u>	<u>\$ 6,305,006</u>	<u>\$ 7,367,546</u>	<u>\$ 3,680,766</u>	<u>\$ 17,644,823</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenue, Expenses and Changes in Fund Net Assets

Internal Service Funds

For the Year Ended September 30, 2011

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Operating revenue			
Premiums	\$ -	\$ -	\$ -
Rents	-	740,504	-
Other	575,400	-	12,433
Total operating revenue	<u>575,400</u>	<u>740,504</u>	<u>12,433</u>
Operating expenses			
Salaries and fringes	181,019	179,652	81,843
Supplies and other operating expenses	408,217	555,364	82,863
Insurance benefits and claims	-	-	-
Insurance premiums	-	5,488	245
Depreciation and amortization	-	-	9,225
Total operating expenses	<u>589,236</u>	<u>740,504</u>	<u>174,176</u>
Operating income (loss)	(13,836)	-	(161,743)
Nonoperating revenue (expense)			
Interest income	13	-	-
Interest expense	-	-	-
Loss from sale of capital assets	-	-	-
Total non-operating revenue (expenses)	<u>13</u>	<u>-</u>	<u>-</u>
Income (loss) before capital contributions and transfers	(13,823)	-	(161,743)
Capital contributions	-	-	-
Transfers in	-	-	161,743
Transfers out	-	-	-
Change in net assets	<u>(13,823)</u>	<u>-</u>	<u>-</u>
Net assets, beginning of year, as restated	<u>48,586</u>	<u>-</u>	<u>154,247</u>
Net assets, end of year	<u>\$ 34,763</u>	<u>\$ -</u>	<u>\$ 154,247</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
\$ -	\$ -	\$ 23,669,476	\$ -	\$ 23,669,476
-	1,090,679	-	-	1,831,183
-	631,350	2,277,869	-	3,497,052
-	1,722,029	25,947,345	-	28,997,711
-	1,632	870,422	-	1,314,568
39,203	491,152	130,677	-	1,707,476
-	-	847,405	-	847,405
-	294	21,466,499	-	21,472,526
846,854	685,645	-	-	1,541,724
886,057	1,178,723	23,315,003	-	26,883,699
(886,057)	543,306	2,632,342	-	2,114,012
283,870	11,268	47,906	2,697	345,754
(498,119)	-	-	-	(498,119)
-	(23,760)	-	-	(23,760)
(214,249)	(12,492)	47,906	2,697	(176,125)
(1,100,306)	530,814	2,680,248	2,697	1,937,887
675,261	-	-	-	675,261
-	-	-	2,131,815	2,293,558
-	(156,291)	-	(26,158)	(182,449)
(425,045)	374,523	2,680,248	2,108,354	4,724,257
527,540	5,930,483	4,687,298	1,572,412	12,920,566
<u>\$ 102,495</u>	<u>\$ 6,305,006</u>	<u>\$ 7,367,546</u>	<u>\$ 3,680,766</u>	<u>\$ 17,644,823</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended September 30, 2011

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Cash flows from operating activities			
Receipts from customers and users	\$ 567,688	\$ 748,380	\$ 12,433
Payments to vendors	(418,105)	(559,360)	(85,956)
Payments for personnel services	(196,745)	(184,638)	(82,868)
Net cash provided by (used in) operating activities	<u>(47,162)</u>	<u>4,382</u>	<u>(156,391)</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	-	-	161,743
Intergovernmental payments	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>161,743</u>
Cash flows from capital and related financing activities			
Interest paid on long term debt	-	-	-
Capital contributions received	-	-	-
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	-	-	-
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest received	13	-	-
Net increase (decrease) in cash and investments	(47,149)	4,382	5,352
Cash and investments, beginning of year	134,164	15,877	13,661
Cash and investments, end of year	<u>\$ 87,015</u>	<u>\$ 20,259</u>	<u>\$ 19,013</u>
Cash flows from operating activities			
Operating income (loss)	\$ (13,836)	\$ -	\$ (161,743)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	9,225
Change in:			
Accounts receivable	(3,098)	7,876	-
Due from other governments	(4,635)	-	-
Accrued interest receivable	21	-	-
Prepaid and other items	-	-	-
Deposits held with others	-	-	-
Accounts payable	(9,888)	1,492	(2,848)
Accrued liabilities	(60,222)	(4,986)	(1,025)
Compensated absences	44,496	-	-
Net cash provided by (used in) operating activities	<u>\$ (47,162)</u>	<u>\$ 4,382</u>	<u>\$ (156,391)</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
\$ 99,525	\$1,723,380	\$25,968,452	\$ -	\$ 29,119,858
(385,208)	(538,186)	(23,281,787)	-	(25,268,602)
-	(1,625)	(590,449)	-	(1,056,325)
<u>(285,683)</u>	<u>1,183,569</u>	<u>2,096,216</u>	<u>-</u>	<u>2,794,931</u>
-	-	50,000	-	211,743
-	(156,291)	-	(36,529)	(192,820)
-	(156,291)	50,000	(36,529)	18,923
(657,146)	-	-	-	(657,146)
675,261	-	-	-	675,261
-	4,235	-	-	4,235
(1,008,215)	(1,376,281)	-	-	(2,384,496)
<u>(990,100)</u>	<u>(1,372,046)</u>	<u>-</u>	<u>-</u>	<u>(2,362,146)</u>
283,870	11,268	47,906	2,697	345,754
(991,913)	(333,500)	2,194,122	(33,832)	797,462
1,438,586	2,899,710	9,849,345	1,608,941	15,960,284
<u>\$ 446,673</u>	<u>\$2,566,210</u>	<u>\$12,043,467</u>	<u>\$ 1,575,109</u>	<u>\$ 16,757,746</u>
\$ (886,057)	\$ 543,306	\$ 2,632,342	\$ -	\$ 2,114,012
846,854	685,645	-	-	1,541,724
96,537	20	15,091	-	116,426
-	-	-	-	(4,635)
2,988	1,331	6,016	-	10,356
-	-	(5,358)	-	(5,358)
-	-	108,220	-	108,220
(346,005)	(46,740)	(940,068)	-	(1,344,057)
-	7	279,973	-	213,747
-	-	-	-	44,496
<u>\$ (285,683)</u>	<u>\$ 1,183,569</u>	<u>\$ 2,096,216</u>	<u>\$ -</u>	<u>\$ 2,794,931</u>



COUNTY OF MUSKEGON, MICHIGAN

Agency Funds

Trust and 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 holds 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.

Muskegon Central Dispatch 911 (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.

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, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds
September 30, 2011

	Trust And Agency (7010)	Library Penal Fines Fund (7210)	Muskegon Central Dispatch 911 (7708)	Labor Management Program (7910)
Assets				
Cash and investments	\$ 11,370,898	\$ 68,106	\$ 2,431,423	\$ 84,815
Receivable:				
Accounts	328,004	-	87,680	-
Accrued interest	-	185	2,351	88
Prepays	-	-	30,046	-
Total assets	\$ 11,698,902	\$ 68,291	\$ 2,551,500	\$ 84,903
Liabilities				
Accounts payable	\$ 612,399	\$ -	\$ 604,717	\$ 2
Due to other governments	26,493	-	-	-
Undistributed current and delinquent taxes	10,533,264	-	-	-
Trust deposits	493,973	-	-	-
Accrued liabilities	-	-	70,633	274
Unallocated receipts	32,773	68,291	1,876,150	84,627
Total liabilities	\$ 11,698,902	\$ 68,291	\$ 2,551,500	\$ 84,903



CMH Client Funds (7930)	Muskegon Veterans Affairs (7940)	Orchard View (7982)	Total
\$ 321,240	\$ 114,449	\$ 35,455	\$ 14,426,386
-	-	-	415,684
-	186	37	2,847
-	-	-	30,046
<u>\$ 321,240</u>	<u>\$ 114,635</u>	<u>\$ 35,492</u>	<u>\$ 14,874,963</u>
\$ -	\$ -	\$ -	\$ 1,217,118
-	-	-	26,493
-	-	-	10,533,264
-	-	-	493,973
-	-	-	70,907
<u>321,240</u>	<u>114,635</u>	<u>35,492</u>	<u>2,533,208</u>
<u>\$ 321,240</u>	<u>\$ 114,635</u>	<u>\$ 35,492</u>	<u>\$ 14,874,963</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the year ended September 30, 2011

	Balance October 1, 2010	Additions	Deletions	Balance September 31, 2011
Trust and Agency Fund (7010)				
Assets				
Cash and investments	\$ 8,618,130	\$ 204,247,852	\$ (201,495,084)	\$ 11,370,898
Accounts receivable	1,080,496	596,631	(1,349,123)	328,004
Total assets	\$ 9,698,626	\$ 204,844,483	\$ (202,844,207)	\$ 11,698,902
Liabilities				
Accounts payable	\$ 23,838	\$ 71,600,492	\$ (71,011,931)	\$ 612,399
Due to other governments	872,497	5,483,885	(6,329,889)	26,493
Undistributed current and delinquent taxes	8,409,207	69,215,495	(67,091,438)	10,533,264
Trust deposits	354,220	43,271,403	(43,131,650)	493,973
Unallocated receipts	16,372	15,047,006	(15,030,605)	32,773
Fines and fees due to local municipalities and libraries	22,492	226,202	(248,694)	-
Total liabilities	\$ 9,698,626	\$ 204,844,483	\$ (202,844,207)	\$ 11,698,902
Library Penal Fines (7210)				
Assets				
Cash and investments	\$ 88,670	\$ 299,597	\$ (320,161)	\$ 68,106
Accrued interest receivable	445	660	(920)	185
Total assets	\$ 89,115	\$ 300,257	\$ (321,081)	\$ 68,291
Liabilities				
Unallocated receipts	\$ 89,115	\$ 300,257	\$ (321,081)	\$ 68,291
Muskegon Central Dispatch 9-1-1 (7708)				
Assets				
Cash and investments	\$ 2,079,690	\$ 3,732,533	\$ (3,380,800)	\$ 2,431,423
Accounts receivable	249,592	786,251	(948,163)	87,680
Accrued interest receivable	3,961	7,437	(9,047)	2,351
Prepays	-	30,046	-	30,046
Total assets	\$ 2,333,243	\$ 4,556,267	\$ (4,338,010)	\$ 2,551,500
Liabilities				
Accounts payable	\$ 649,024	\$ 1,342,731	\$ (1,387,038)	\$ 604,717
Accrued liabilities	146,255	25,530	(101,152)	70,633
Unallocated receipts	1,537,964	3,188,006	(2,849,820)	1,876,150
Total liabilities	\$ 2,333,243	\$ 4,556,267	\$ (4,338,010)	\$ 2,551,500

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the year ended September 30, 2011

	Balance October 1, 2010	Additions	Deletions	Balance September 31, 2011
District Library (7810)				
Assets				
Cash and investments	\$ 3,134,543	\$ 2,919,400	\$ (6,053,943)	\$ -
Accrued interest receivable	6,268	8,208	(14,476)	-
Total assets	\$ 3,140,811	\$ 2,927,608	\$ (6,068,419)	\$ -
Liabilities				
Accounts payable	\$ -	\$ 2,823,850	\$ (2,823,850)	\$ -
Accrued liabilities	55,632	9,328	(64,960)	-
Unallocated receipts	3,085,179	94,430	(3,179,609)	-
Total liabilities	\$ 3,140,811	\$ 2,927,608	\$ (6,068,419)	\$ -
Labor Management Program (7910)				
Assets				
Cash and investments	\$ 88,760	\$ 50,069	\$ (54,014)	\$ 84,815
Accrued interest receivable	154	304	(370)	88
Total assets	\$ 88,914	\$ 50,373	\$ (54,384)	\$ 84,903
Liabilities				
Accounts payable	\$ 685	\$ 35,454	\$ (36,137)	\$ 2
Accrued liabilities	873	276	(875)	274
Unallocated receipts	87,356	14,643	(17,372)	84,627
Total liabilities	\$ 88,914	\$ 50,373	\$ (54,384)	\$ 84,903
CMH Client Funds (7930)				
Assets				
Cash and investments	\$ 337,207	\$ 3,614,415	\$ (3,630,382)	\$ 321,240
Liabilities				
Unallocated receipts	\$ 337,207	\$ 3,614,415	\$ (3,630,382)	\$ 321,240

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the year ended September 30, 2011

	Balance October 1, 2010	Additions	Deletions	Balance September 31, 2011
Muskegon Veterans Affairs (7940)				
Assets				
Cash and investments	\$ 136,776	\$ 356,047	\$ (378,374)	\$ 114,449
Accounts receivable	1,775	10,023	(11,798)	-
Accrued interest receivable	378	551	(743)	186
Total assets	\$ 138,929	\$ 366,621	\$ (390,915)	\$ 114,635
Liabilities				
Accounts payable	\$ 6,907	\$ 299,769	\$ (306,676)	\$ -
Unallocated receipts	132,022	66,852	(84,239)	114,635
Total liabilities	\$ 138,929	\$ 366,621	\$ (390,915)	\$ 114,635
Orchard View (7982)				
Assets				
Cash and investments	\$ 35,299	\$ 349	\$ (193)	\$ 35,455
Accrued interest receivable	66	129	(158)	37
Total assets	\$ 35,365	\$ 478	\$ (351)	\$ 35,492
Liabilities				
Unallocated receipts	\$ 35,365	\$ 478	\$ (351)	\$ 35,492
Total All Agency Funds				
Assets				
Cash and investments	\$ 14,519,075	\$ 215,220,262	\$ (215,312,951)	\$ 14,426,386
Accounts receivable	1,331,863	1,392,905	(2,309,084)	415,684
Accrued interest receivable	11,272	17,289	(25,714)	2,847
Prepays	-	30,046	-	30,046
Total assets	\$ 15,862,210	\$ 216,660,502	\$ (217,647,749)	\$ 14,874,963
Liabilities				
Accounts payable	\$ 680,454	\$ 76,102,296	\$ (75,565,632)	\$ 1,217,118
Due to other governments	872,497	5,483,885	(6,329,889)	26,493
Undistributed current and delinquent taxes	8,409,207	69,215,495	(67,091,438)	10,533,264
Trust deposits	354,220	43,271,403	(43,131,650)	493,973
Accrued liabilities	202,760	35,134	(166,987)	70,907
Unallocated receipts	5,320,580	22,326,087	(25,113,459)	2,533,208
Fines and fees due to local municipalities and libraries	22,492	226,202	(248,694)	-
Total liabilities	\$ 15,862,210	\$ 216,660,502	\$ (217,647,749)	\$ 14,874,963



COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet Drainage Districts Component Unit September 30, 2011

	Governmental Funds		
	General Fund	Capital Projects	Total
Assets			
Cash and investments	\$ 402,645	\$ 13,700	\$ 416,345
Assessments receivable	33,982	7,800	41,782
Interest receivable	379	-	379
Total assets	<u>\$ 437,006</u>	<u>\$ 21,500</u>	<u>\$ 458,506</u>
Liabilities			
Accounts payable	\$ 1,099	\$ -	\$ 1,099
Advances from primary government	-	21,500	21,500
Total liabilities	1,099	21,500	22,599
Fund balances			
Unassigned	435,907	-	435,907
Total liabilities and fund balances	<u>\$ 437,006</u>	<u>\$ 21,500</u>	<u>\$ 458,506</u>

COUNTY OF MUSKEGON, MICHIGAN

■ Reconciliation

Fund Balances for Governmental Funds
To Net Assets of Governmental Activities
Drainage Districts Component Unit
September 30, 2011

Fund balances - total governmental funds \$ 435,907

Amounts reported for the *component unit* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.

Capital assets being depreciated, net 3,485,112

Net assets of governmental activities \$ 3,921,019

COUNTY OF MUSKEGON, MICHIGAN

**Combining Statement of Revenue, Expenditures and
 Changes in Fund Balances**
 Drainage Districts Component Unit
 For the Year Ended September 30, 2011

	Governmental Funds		
	General Fund	Capital Projects	Total
Revenue			
Charges for services	\$ 41,696	\$ -	\$ 41,696
Contribution	57,051	-	57,051
Investment earnings	1,346	-	1,346
Total revenue	<u>100,093</u>	<u>-</u>	<u>100,093</u>
Expenditures			
Current:			
General government	94,272	-	94,272
Change in fund balances	5,821	-	5,821
Fund balances, beginning of year, as restated	<u>430,086</u>	<u>-</u>	<u>430,086</u>
Fund balances, end of year	<u>\$ 435,907</u>	<u>\$ -</u>	<u>\$ 435,907</u>

COUNTY OF MUSKEGON, MICHIGAN

■ Reconciliation

Net Changes in Fund Balances of Governmental Funds
To Change in Net Assets of Governmental Activities
Drainage Districts Component Unit
For the Year Ended September 30, 2011

Net change in fund balances - total governmental funds \$ 5,821

Amounts reported for the *component unit* in the statement of activities are different because:

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.

Depreciation expense (82,162)

Change in net assets of governmental activities \$ (76,341)



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 County's overall financial health.

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COUNTY OF MUSKEGON, MICHIGAN

Schedule B-1

Net Assets by Component
 Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities										
Invested in capital assets, net of related debt	\$ 41,674	\$ 42,415	\$ 42,253	\$ 39,164	\$ 41,018	\$ 40,455	\$ 41,019	\$ 40,463	\$ 40,525	\$ 42,982
Restricted	10,581	7,444	16,160	21,604	18,876	12,686	16,845	11,339	5,900	3,594
Unrestricted	(1,415)	743	2,172	484	20,075	22,584	18,809	16,054	19,453	22,159
Total Governmental Activities Net Assets	\$ 50,840	\$ 50,602	\$ 60,585	\$ 61,252	\$ 79,969	\$ 75,725	\$ 76,673	\$ 67,856	\$ 65,878	\$ 68,735
Business-type Activities										
Invested in capital assets, net of related debt	\$ 74,190	\$ 83,729	\$ 84,950	\$ 85,437	\$ 91,214	\$ 91,214	\$ 97,018	\$ 117,230	\$ 105,750	\$ 101,923
Restricted	8,947	3,670	1,917	3,464	2,594	2,021	3,783	4,119	2,898	-
Unrestricted	28,903	23,261	24,873	23,576	18,720	21,087	25,696	13,846	22,415	25,546
Total Business-type Activities Net Assets	\$ 112,040	\$ 110,660	\$ 111,740	\$ 112,477	\$ 112,528	\$ 114,322	\$ 126,497	\$ 135,195	\$ 131,063	\$ 127,469
Primary Government										
Invested in capital assets, net of related debt	\$ 115,864	\$ 126,144	\$ 127,203	\$ 124,601	\$ 132,232	\$ 138,535	\$ 138,037	\$ 157,693	\$ 146,275	\$ 144,905
Restricted	19,528	11,114	18,077	25,068	21,470	14,707	20,628	15,458	8,798	3,594
Unrestricted	27,488	24,004	27,045	24,060	38,795	43,671	44,505	29,900	41,868	47,705
Total Primary Government Net Assets	\$ 162,880	\$ 161,262	\$ 172,325	\$ 173,729	\$ 192,497	\$ 196,913	\$ 203,170	\$ 203,051	\$ 196,941	\$ 196,204

Note: The County implemented GASB Statement 54 beginning in fiscal 2011, which resulted in the reclassification of certain funds between Governmental Activities and Business-type Activities. The amounts on this schedule for fiscal years 2002 to 2009 have not been retroactively adjusted for these reclassifications. The amounts above for fiscal year 2010 have been restated as more fully described in note 16 to the financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Schedule B-2

Changes in Net Assets Last Ten Fiscal Years (accrual basis of accounting) (in thousands of dollars)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General county government	\$ 19,840	\$ 19,442	\$ 20,814	\$ 22,972	\$ 20,971	\$ 27,216	\$ 28,034	\$ 30,784	\$ 16,706	\$ 16,871
Public safety	10,804	11,844	12,619	12,923	13,219	13,442	13,428	13,473	13,359	13,759
Health	89,691	112,286	103,018	103,897	109,598	113,300	108,059	113,687	102,097	105,761
Welfare	7,745	8,855	8,507	7,668	9,178	10,210	12,329	14,015	14,248	11,582
Judicial	7,031	7,463	7,704	7,801	8,173	8,333	8,437	8,531	8,649	8,443
Other	3,185	3,378	3,279	3,247	2,983	2,199	2,661	2,774	1,849	3,249
Debt service expenses	1,127	1,185	1,114	1,162	1,242	1,007	875	736	692	721
Total governmental activities expense	<u>139,423</u>	<u>164,453</u>	<u>157,055</u>	<u>159,670</u>	<u>165,364</u>	<u>175,707</u>	<u>173,823</u>	<u>184,000</u>	<u>157,600</u>	<u>160,386</u>
Business-type activities:										
Local government public works financing	-	-	-	-	-	-	-	-	1,097	1,465
Solid Waste	1,194	3,267	3,988	794	3,526	3,600	1,325	3,757	4,319	3,428
Airport Operations	2,685	2,763	2,131	2,764	2,474	2,424	2,493	2,530	2,494	2,822
Regional Water System	388	920	377	358	693	2,381	3,169	4,554	3,133	3,036
Muskegon Area Transit System	3,063	3,360	3,115	3,217	3,384	3,294	3,288	3,314	4,034	4,156
Wastewater Management System	13,559	14,418	14,604	15,155	15,023	14,608	16,531	17,162	15,097	17,373
Brookhaven	-	-	-	-	-	-	-	-	15,333	17,253
Other proprietary funds	1,876	264	813	1,111	2,019	659	988	1,248	1,435	904
Total business-type activities expenses	<u>22,765</u>	<u>24,992</u>	<u>25,028</u>	<u>23,399</u>	<u>27,119</u>	<u>26,966</u>	<u>27,794</u>	<u>32,565</u>	<u>46,942</u>	<u>50,437</u>
Total primary government expenses	<u>\$ 162,188</u>	<u>\$ 189,445</u>	<u>\$ 182,083</u>	<u>\$ 183,069</u>	<u>\$ 192,483</u>	<u>\$ 202,673</u>	<u>\$ 201,617</u>	<u>\$ 216,565</u>	<u>\$ 204,542</u>	<u>\$ 210,823</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 6,082	\$ 7,324	\$ 7,213	\$ 6,425	\$ 6,086	\$ 6,432	\$ 5,408	\$ 5,308	\$ 5,347	\$ 5,293
Public safety	543	1,698	1,034	842	730	1,046	903	797	534	877
Health	66,121	85,638	78,776	74,835	72,247	76,698	84,614	83,648	3,870	3,714
Judicial	2,469	2,507	2,929	2,919	2,949	3,277	2,996	2,716	2,596	3,714
Other activities	1,095	36	1,047	1,738	1,408	1,656	1,134	1,348	1,265	1,103
Operating grants and contributions	33,340	32,283	33,629	30,783	33,518	35,229	34,958	34,476	106,759	109,975
Capital grants and contributions	1,488	800	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>111,138</u>	<u>130,286</u>	<u>124,628</u>	<u>117,542</u>	<u>116,938</u>	<u>124,338</u>	<u>130,013</u>	<u>128,293</u>	<u>120,371</u>	<u>124,676</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule B-2

Changes in Net Assets Last Ten Fiscal Years (accrual basis of accounting) (in thousands of dollars)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:										
Charges for services:										
Wastewater	\$ 11,102	\$ 10,656	\$ 12,796	\$ 12,281	\$ 12,640	\$ 13,832	\$ 15,970	\$ 13,816	\$ 12,043	\$ 13,816
Brookhaven	-	-	-	-	-	-	-	-	14,847	15,513
Other	5,824	6,362	4,401	6,521	7,618	8,700	9,117	12,366	11,898	13,136
Operating grants and contributions	2,371	2,416	4,904	2,828	2,982	5,215	6,111	4,116	1,809	3,622
Capital grants and contributions	8,429	3,348	3,201	2,380	2,323	5,829	734	10,165	1,227	1,065
Total business-type activities program revenues	27,726	22,782	25,302	24,010	25,563	33,576	31,932	40,463	41,824	47,152
Total primary government program revenues	\$ 138,864	\$ 153,068	\$ 149,930	\$ 141,552	\$ 142,501	\$ 157,914	\$ 161,945	\$ 168,756	\$ 162,195	\$ 171,828
Net (Expense)/Revenue										
Governmental activities	\$ (28,285)	\$ (34,167)	\$ (32,427)	\$ (42,128)	\$ (48,426)	\$ (51,369)	\$ (43,810)	\$ (55,707)	\$ (37,229)	\$ (35,710)
Business-type activities	4,961	(2,210)	274	611	(1,556)	6,610	4,138	7,898	(5,118)	(3,285)
Total primary government net expense	\$ (23,324)	\$ (36,377)	\$ (32,153)	\$ (41,517)	\$ (49,982)	\$ (44,759)	\$ (39,672)	\$ (47,809)	\$ (42,347)	\$ (38,995)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property/Liquor/Lodging taxes	\$ 22,013	\$ 23,196	\$ 24,227	\$ 31,294	\$ 35,076	\$ 36,902	\$ 29,559	\$ 28,981	\$ 28,600	\$ 27,914
State shared revenue	3,454	2,827	2,282	-	-	-	-	-	192	3,601
Investment earnings	753	927	759	1,149	2,158	2,505	1,718	1,027	282	222
Other revenue and transfers	3,385	6,980	5,937	10,352	29,908	7,718	13,481	16,883	6,954	6,830
Total governmental activities	29,605	33,930	33,205	42,795	67,142	47,125	44,758	46,891	36,028	38,567
Business-type activities:										
Investment earnings	1,505	875	586	958	1,260	1,564	1,515	783	283	359
Other revenue and transfers	2,374	(44)	(191)	(833)	348	485	(344)	18	(882)	(668)
Total business-type activities	3,879	831	395	125	1,608	2,049	1,171	801	(599)	(309)
Total primary government	\$ 33,484	\$ 34,761	\$ 33,600	\$ 42,920	\$ 68,750	\$ 49,174	\$ 45,929	\$ 47,692	\$ 35,429	\$ 38,258
Change in Net Assets										
Governmental activities	\$ 1,320	\$ (237)	\$ 778	\$ 667	\$ 18,716	\$ (4,244)	\$ 948	\$ (8,816)	\$ (1,201)	\$ 2,857
Business-type activities	8,840	(1,379)	669	736	52	8,659	5,309	8,699	(5,717)	(3,594)
Total primary government	\$ 10,160	\$ (1,616)	\$ 1,447	\$ 1,403	\$ 18,768	\$ 4,415	\$ 6,257	\$ (117)	\$ (6,918)	\$ (737)

Note: The County implemented GASB Statement 54 beginning in fiscal 2011, which resulted in the reclassification of certain funds between Governmental Activities and Business-type Activities. The amounts on this schedule for fiscal years 2002 to 2010 have not been retroactively adjusted for these reclassifications.

COUNTY OF MUSKEGON, MICHIGAN

Schedule B-3

Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (in thousands of dollars)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:										
Reserved	\$ 1,305	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ -
Unreserved	5,873	6,588	6,897	7,260	7,511	8,071	8,479	8,592	8,597	-
Nonspendable	-	-	-	-	-	-	-	-	-	2,914
Restricted	-	-	-	-	-	-	-	-	-	158
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	8,253
Total general fund	<u>\$ 7,178</u>	<u>\$ 7,177</u>	<u>\$ 7,486</u>	<u>\$ 7,849</u>	<u>\$ 8,100</u>	<u>\$ 8,660</u>	<u>\$ 9,068</u>	<u>\$ 9,181</u>	<u>\$ 9,186</u>	<u>\$ 11,325</u>
All Other Governmental Funds:										
Reserved	\$ 800	\$ 800	\$ 933	\$ 1,453	\$ 1,317	\$ 1,858	\$ 1,445	\$ 1,405	\$ 1,189	\$ -
Unreserved, reported in:										
Special Revenue Funds	4,319	3,908	4,271	8,219	12,405	16,036	13,218	9,245	5,761	-
Debt Service Funds	1,799	1,713	1,541	1,761	1,585	1,801	2,024	2,685	986	-
Capital Projects Funds	5,085	3,201	3,451	5,404	14,026	7,661	11,113	8,103	5,402	-
Permanent Funds	67	59	54	53	53	51	50	47	47	-
Nonspendable	-	-	-	-	-	-	-	-	-	1,193
Restricted	-	-	-	-	-	-	-	-	-	3,846
Committed	-	-	-	-	-	-	-	-	-	351
Assigned	-	-	-	-	-	-	-	-	-	2,962
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 12,070</u>	<u>\$ 9,681</u>	<u>\$ 10,250</u>	<u>\$ 16,890</u>	<u>\$ 29,386</u>	<u>\$ 27,407</u>	<u>\$ 27,850</u>	<u>\$ 21,485</u>	<u>\$ 13,385</u>	<u>\$ 8,352</u>
Total Fund Balance for Governmental Funds	<u>\$ 19,248</u>	<u>\$ 16,858</u>	<u>\$ 17,736</u>	<u>\$ 24,739</u>	<u>\$ 37,486</u>	<u>\$ 36,067</u>	<u>\$ 36,918</u>	<u>\$ 30,666</u>	<u>\$ 22,571</u>	<u>\$ 19,677</u>

Note: Fund balance classification categories changed in 2011 to comply with the requirements of GASB Statement 54

COUNTY OF MUSKEGON, MICHIGAN

Schedule B-4

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) (in thousands of dollars)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 22,013	\$ 23,196	\$ 24,226	\$ 31,294	\$ 35,076	\$ 36,902	\$ 29,559	\$ 28,981	\$ 28,892	\$ 25,242
Operating grants and contributions	33,478	32,283	33,629	30,783	33,518	35,229	34,958	34,476	35,831	112,676
Charges for services	74,926	95,231	89,003	84,748	83,420	87,132	88,447	92,835	95,624	14,416
Other	8,624	9,119	8,105	9,284	8,627	8,734	8,302	12,646	8,947	9,441
Total revenues	139,041	159,829	154,963	156,109	160,641	167,997	161,266	168,938	169,294	161,775
Expenditures										
General county government	15,298	16,496	17,158	17,143	17,786	20,574	18,627	18,511	17,491	17,487
Public safety	10,596	11,570	12,379	12,712	13,016	13,243	13,242	13,281	13,323	13,620
Health	89,440	110,357	101,563	100,254	109,301	112,990	107,987	113,626	114,349	105,454
Judicial	6,990	7,420	7,663	7,758	8,136	8,294	8,410	8,503	8,636	8,578
Welfare	7,615	8,728	8,383	7,551	9,070	10,103	12,224	13,921	14,246	11,598
Other	3,015	3,158	3,047	3,017	2,598	1,987	2,453	2,569	2,142	2,941
Capital outlay	6,563	3,434	1,310	3,918	1,132	1,706	1,422	5,876	2,753	1,488
Debt service										
Principal	2,480	2,140	2,040	2,285	6,460	1,540	1,715	11,475	4,160	1,470
Interest	1,066	1,130	1,039	1,074	1,242	864	873	736	691	739
Other	61	55	75	88	162	143	2	1	-	-
Total expenditures	143,124	164,488	154,657	155,800	168,903	171,444	166,955	188,499	177,791	163,375
Excess of revenues over (under) expenditures	(4,083)	(4,659)	306	309	(8,262)	(3,447)	(5,689)	(19,561)	(8,497)	(1,600)
Other Financing Sources (Uses)										
Proceeds from borrowing	6,500	-	-	5,000	8,200	995	6,000	13,875	4,315	-
Proceeds from refunding	-	-	-	-	12,380	-	-	-	-	4,780
Payments to escrow agents	-	-	-	-	-	-	-	-	(4,356)	(4,638)
Transfers in	11,283	14,681	11,410	15,249	15,506	17,066	16,136	17,594	16,388	13,774
Transfers out	(12,193)	(12,853)	(10,874)	(14,081)	(15,511)	(17,494)	(15,602)	(18,187)	(15,967)	(14,415)
Sale of capital assets	12	50	36	526	434	1,460	7	26	23	7
Total other financing sources (uses)	5,602	1,878	572	6,694	21,009	2,027	6,541	13,308	403	(492)
Net change in fund balances	\$ 1,519	\$ (2,781)	\$ 878	\$ 7,003	\$ 12,747	\$ (1,420)	\$ 852	\$ (6,253)	\$ (8,094)	\$ (2,092)
Debt service as a percentage of noncapital expenditures	2.68%	2.06%	2.07%	2.27%	4.72%	1.51%	1.57%	6.73%	2.98%	1.36%

COUNTY OF MUSKEGON, MICHIGAN

Schedule C-1

Tax Revenues by Source, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (in thousands of dollars)

Fiscal Year	Property Taxes	Accommodations Tax	Liquor Tax	Total
2002	\$ 20,987	\$ 743	\$ 743	\$ 22,473
2003	22,155	772	722	23,649
2004	23,202	758	732	24,692
2005	30,255	779	768	31,802
2006	33,943	842	805	35,590
2007	35,761	840	866	37,467
2008	28,410	830	947	30,187
2009	27,932	747	910	29,589
2010	27,182	842	869	28,893
2011	26,106	854	953	27,913
Change 2002-2011	24.4%	14.9%	28.3%	24.2%

COUNTY OF MUSKEGON, MICHIGAN

Schedule C-2

Assessed and Taxable Value of Taxable Property

Last Ten Fiscal Years
 (accrual basis of accounting)
 (in millions of dollars)

Fiscal Year	Assessed Value			Taxable Value			Total Direct Tax Rate	Percentage of Taxable to Assessed Value
	Real Property	Personal Property	Total Assessed	Real Property	Personal Property	Total Taxable		
2002	\$ 3,912	\$ 372	\$ 4,284	\$ 3,081	\$ 372	\$ 3,453	\$ 6.70	80.60 %
2003	4,226	368	4,594	3,246	368	3,614	6.80	78.67
2004	4,469	371	4,840	3,425	371	3,796	6.80	78.43
2005	4,674	379	5,053	3,616	379	3,995	6.78	79.06
2006	4,917	377	5,294	3,860	377	4,237	6.76	80.03
2007	5,149	395	5,544	4,101	395	4,496	6.74	81.10
2008	5,255	414	5,669	4,233	414	4,647	6.70	81.97
2009	5,072	417	5,489	4,297	418	4,715	6.70	85.90
2010	4,798	422	5,220	4,142	422	4,564	6.70	87.43
2011	4,508	435	4,943	4,007	435	4,442	6.70	89.86

Source: Muskegon County Equalization Department

COUNTY OF MUSKEGON, MICHIGAN

Schedule C-3

Principal Property Tax Payers
 Current Year and Nine Years Ago
 (in thousands of dollars)

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	\$ 146,140	1	3.29 %	\$ 107,026	1	3.10 %
Alcoa Howmet	54,268	2	1.22	56,663	3	1.64
DTE Energy	27,585	3	0.62	20,620	5	0.60
Sun Chemical of Michigan LLC	22,802	4	0.51	23,058	4	0.67
Meijer Inc	19,753	5	0.44	—		—
Bayer CropScience	19,535	6	0.44	—		—
THF Fruitport Development LP	16,411	7	0.37	16,773	7	0.49
Diversified Machine Montague Inc	15,628	8	0.35	18,121	6	0.52
L3 Communications Corp	15,622	9	0.35	—		—
The Lakes Mall LLC	13,999	10	0.32	—		—
Sappi Inc	—		—	62,352	2	1.81
Johnson Technology Inc	—		—	12,612	8	0.37
Knoll Furniture	—		—	11,758	9	0.34
LorinIndustries	—		—	11,035	10	0.32
Total	<u>\$ 351,743</u>		<u>7.91 %</u>	<u>\$ 340,018</u>		<u>9.86 %</u>

Source: Muskegon County Equalization Department

COUNTY OF MUSKEGON, MICHIGAN

Schedule C-4

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

Fiscal Year	County Veterans / Museum / Central Dispatch			Overlapping Rates						Grand Total Direct & Overlap Rates
	Operating Millage (1)	Debt Millage (2)	Total Millage	City / Township / Village			School Districts / Authorities / College			
				Operating Millage	Debt Millage	Total Millage	Operating Millage (3)	Debt Millage	Total Millage	
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	—	7.11	20.17	7.00	27.17	41.04
2007	6.40	0.34	6.74	7.06	—	7.06	20.25	7.00	27.25	41.05
2008	6.40	0.30	6.70	6.98	—	6.98	20.95	7.00	27.95	41.63
2009	6.40	0.30	6.70	NLP	—	—	NLP	7.00	7.00	13.70
2010	6.40	0.30	6.70	NLP	—	—	NLP	7.00	7.00	13.70
2011	6.40	0.30	6.70	NLP	—	—	NLP	—	—	6.70

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, MICHIGAN

Schedule C-5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended Sept 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 18,878,744	\$ 16,945,593	89.8 %	\$ 1,933,151	\$ 18,878,744	100.0 %
2003	19,809,745	17,875,267	90.2	1,934,478	19,809,745	100.0
2004	20,871,516	18,880,302	90.5	1,991,214	20,871,516	100.0
2005	22,002,834	20,102,587	91.4	1,900,247	22,002,834	100.0
2006	23,303,972	21,413,291	91.9	1,890,681	23,303,972	100.0
2007	24,582,300	22,614,273	92.0	1,968,027	24,582,300	100.0
2008	25,301,393	23,306,986	92.1	1,994,407	25,301,393	100.0
2009	25,599,033	24,000,311	93.8	N/A	N/A	N/A
2010	24,931,584	23,448,461	94.1	N/A	N/A	N/A
2011	24,132,584	22,734,021	94.2	N/A	N/A	N/A

Source: Muskegon County Treasurer's Office

N/A = Information not available

COUNTY OF MUSKEGON, MICHIGAN

Schedule D-1

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Other Debt	Building Authority Bonds	Revenue Bonds	Local Govt Public Works Bonds	Delinquent Tax Notes			
	(2)		(3)				(1)	(1)	
2002	\$ 15,520	—	\$ 11,615	\$ 29,230	\$ 10,720	\$ 11,500	\$ 78,585	1.88 %	\$ 458.05
2003	14,750	—	10,760	26,945	9,910	10,500	72,865	1.68	422.97
2004	13,890	—	10,120	24,805	9,075	10,500	68,390	1.55	395.84
2005	12,980	—	9,370	22,565	8,055	10,500	63,470	1.42	365.59
2006	12,205	—	8,615	32,829	28,310	10,500	92,459	2.00	532.26
2007	11,355	—	7,850	43,399	28,980	10,500	102,084	2.14	587.57
2008	10,430	—	7,035	59,717	34,605	12,500	124,287	2.53	714.93
2009	7,725	—	12,345	72,449	33,990	14,500	141,009	2.92	816.24
2010	13,910	—	10,870	89,542	31,020	14,500	159,842	3.20	928.95
2011	12,875	\$ 95	10,685	87,055	30,035	15,500	156,245	3.13	908.04

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

⁽¹⁾ See the Schedule of Demographic and Economic Statistics in this section for personal income and population data.

⁽²⁾ Includes Building Authority unlimited tax bonds

⁽³⁾ Includes Building Authority limited tax bonds

COUNTY OF MUSKEGON, MICHIGAN

Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Building Authority Bonds	Total		
2002	\$ 15,520	\$ 11,615	\$ 27,135	0.79 %	\$ 158.16
2003	14,750	10,760	25,510	0.71	148.08
2004	13,890	10,120	24,010	0.63	138.97
2005	12,980	9,370	22,350	0.56	128.74
2006	12,205	8,615	20,820	0.49	119.85
2007	11,355	7,850	19,205	0.43	110.54
2008	10,430	7,035	17,465	0.38	100.46
2009	7,725	11,315	19,040	0.40	110.21
2010	13,910	10,870	24,780	0.54	144.01
2011	12,875	10,685	23,560	0.53	136.92

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

(1) See Schedule C-2 for property taxable value data.

(2) Population data can be found in Schedule E-2.

COUNTY OF MUSKEGON, MICHIGAN

Schedule D-3

Direct and Overlapping Governmental Activities Debt As of September 30, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
		(1)	
Muskegon County Issued Bonds Paid by Local Municipalities	\$ 31,020,000	100.000%	\$ 31,020,000
Muskegon County at Large	114,322,314	100.000%	114,322,314
Muskegon County Tax Anticipation Notes	14,500,000	100.000%	14,500,000
Total direct debt	<u>159,842,314</u>		<u>159,842,314</u>
Muskegon Community College & Intermediate School Districts	20,915,000	71.695%	14,994,938
School Districts	620,360,631	62.205%	385,897,241
Cities, Villages, and Townships	90,140,000	100.000%	90,140,000
White Lake District Library	1,065,000	100.000%	1,065,000
Total overlapping debt	<u>732,480,631</u>		<u>492,097,179</u>
Total Direct and Overlapping Debt	<u>\$ 892,322,945</u>		<u>\$ 651,939,493</u>

Source: Municipal Advisory Council of Michigan

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This 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.

(1) 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, MICHIGAN

Schedule D-4

Legal Debt Margin Information
 Last Ten Fiscal Years
 (dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value (000s)	\$4,943,000
Debt limit percentage	10%
Debt limit (10% of SEV)	<u>\$ 494,300</u>
Debt applicable to limit:	
General obligation bonds (1)	12,875
Other debt	95
Building authority bonds (2)	10,685
Revenue bonds	87,055
Local Govt Public Works Finance	30,035
Delinquent tax notes	<u>15,500</u>
Total net debt applicable to limit	<u>156,245</u>
Legal debt margin	<u>\$ 338,055</u>

		Fiscal Year									
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	(a)	\$ 428,427	\$ 459,402	\$ 484,014	\$ 505,360	\$ 529,516	\$ 554,383	\$ 566,879	\$ 548,943	\$ 522,120	\$ 494,300
Total net debt applicable to limit	(b)	<u>52,073</u>	<u>54,758</u>	<u>51,489</u>	<u>49,507</u>	<u>81,835</u>	<u>99,972</u>	<u>104,790</u>	<u>134,787</u>	<u>140,510</u>	<u>156,245</u>
Legal debt margin available	(a-b)	<u>\$ 376,354</u>	<u>\$ 404,644</u>	<u>\$ 432,525</u>	<u>\$ 455,853</u>	<u>\$ 447,681</u>	<u>\$ 454,411</u>	<u>\$ 462,089</u>	<u>\$ 414,156</u>	<u>\$ 381,610</u>	<u>\$ 338,055</u>
Total net debt applicable to limit as a percentage of debt limit	(b/a)	12.15%	11.92%	10.64%	9.80%	15.45%	18.03%	18.49%	24.55%	26.91%	31.61%
County net debt limit as a percentage of total State Equalized Value (1)		1.22%	1.19%	1.06%	0.98%	1.55%	1.80%	1.85%	2.46%	2.69%	3.16%

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.

(1) Includes Building Authority unlimited tax bonds

(2) Includes Building Authority limited tax bonds

COUNTY OF MUSKEGON, MICHIGAN

Schedule D-5

Pledged-Revenue Coverage

Last Ten Fiscal Years

(dollars in thousands)

Fiscal Year	Wastewater Revenue Bonds						Local Government Public Works Financing Bonds			
	Sewer Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Lease Payments Received	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
(1)	(2)									
2002	\$ 3,479	\$ 2	\$ 3,477	\$ 1,910	\$ 756	130 %	\$ 1,350	\$ 1,385	\$ 36	95 %
2003	3,426	121	3,305	2,285	1,162	96	800	810	36	95
2004	3,459	1	3,458	2,140	1,292	101	800	835	34	92
2005	3,318	1	3,317	2,240	1,075	100	425	1,020	32	40
2006	3,442	1	3,441	2,300	963	105	250	325	2	76
2007	3,519	1	3,518	2,495	1,041	99	325	325	12	76
2008	3,862	17	3,845	2,290	994	90	430	375	1	114
2009	5,371	35	5,336	2,315	1,293	148	3,125	615	—	508
2010	5,536	91	5,445	3,675	1,822	99	925	2,760	—	33
2011	4,748	—	4,748	2,959	1,980	104	2,246	985	1,261	100

(1) Total revenues (gallonage fees)

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

(3) The County implemented GASB Statement 54 in fiscal 2011, which resulted in the reclassification of Local Government Public Works Financing Bonds from a governmental fund to an enterprise fund.

COUNTY OF MUSKEGON, MICHIGAN

Schedule E-1

Principal Employers

Current Year and Nine Years Ago

Employer	2011			2002		
	Employees (1)	Rank	Percentage of Total County Employment (2)	Employees (3)	Rank	Percentage of Total County Employment (3)
Mercy Health Partners	3,657	1	5.24 %	3,600 (4)	2/3	4.31
Alcoa Howmet	2,420	2	3.47	2,600	1	3.11
County of Muskegon	1,206	3	1.73	1,300	4	1.56
Muskegon Public Schools	915	4	1.31	—		—
Meijer	866	5	1.24	1,100	5	1.32
Muskegon Correctional Facility	722	6	1.03	—		—
Knoll Furniture	573	7	0.82	620	7	0.74
GE Aviation	556	8	0.80	—		—
ADAC Automotive	500	9	0.72	—		—
Port City Group	465	10	0.67	—		—
Dana Corporation	—		—	800	6	0.96
Sappi Inc	—		—	570	8	0.68
Johnson Technology Inc	—		—	510	9	0.61
General Dynamics Land Systems	—		—	500	10	0.60
Total	11,880		17.01 %	11,600		13.89 %

(1) Source: Muskegon Area First

(2) Source: U.S. Census Bureau

(3) Source: Muskegon County 2002 Comprehensive Annual Financial Report

(4) In 2002 the 2nd largest employer was Mercy General Health Partners with 1900 employees and the 3rd largest was Hackley Hospital with 1700. These two organizations have since merged to become Mercy Health Partners.

COUNTY OF MUSKEGON, MICHIGAN

Schedule E-2

Demographic and Economic Statistics Last Ten Calendar Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2001	171,055	\$ 4,149,636	\$ 24,259	35.5	33,973	6.0 %
2002	171,563	4,171,980	24,317	35.5	34,851	7.8
2003	172,269	4,327,854	25,123	35.5	33,580	9.0
2004	172,771	4,408,115	25,514	35.5	33,370	7.7
2005	173,608	4,474,596	25,774	35.5	32,982	6.9
2006	173,710	4,627,783	26,641	35.5	31,796	6.8
2007	173,738	4,765,807	27,431	35.5	31,488	7.1
2008	173,846	4,908,164	28,233	35.5	30,713	8.6
2009	172,755	4,834,425	27,984	35.5	30,977	14.4
2010	172,068	4,999,771	29,057	38.2	30,021	13.4

Sources: Population and personal income information provided by the U.S. Department of Commerce Bureau of Economic Analysis. Unemployment data provided by State of Michigan Department of Technology, Management & Budget. Median age from decennial data provided by U.S. Census Bureau.

Note: Unemployment rate information is an adjusted yearly average.

COUNTY OF MUSKEGON, MICHIGAN

Schedule F-1

Full-time Equivalent County Government Employees by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Legislative										
Board of Commissioners	9	11	11	11	11	11	11	11	11	11
General Government										
Administration	9	9	9	9	9	9	9	8	9	4
Corporate Counsel	-	3	3	3	-	-	-	-	-	-
County Clerk/Circuit Court Records	14	14	14	14	14	15	15	15	15	14
Prosecutor's Office	36	38	36	36	35	35	34	33	32	31
Treasurer's Office	10	10	10	10	10	10	10	10	10	9
Equalization	23	23	22	22	22	22	25	24	24	23
Register of Deeds	9	9	9	9	9	9	9	9	9	8
Drain Commissioner	4	5	5	5	5	5	5	4	4	4
Accounting/Budget	12	12	11	11	10	10	9	9	9	10
Human Resources	6	6	5	5	5	5	5	6	6	3
Purchasing	4	4	4	4	4	4	4	3	3	3
Office Services	4	4	5	5	5	3	3	3	3	3
Information Systems	12	11	8	8	8	8	8	8	8	8
Risk Management	8	8	8	8	8	8	8	9	9	8
Facilities Management	24	22	14	14	14	16	18	16	16	15
Judicial										
Circuit Court	19	19	19	19	23	24	22	22	22	22
District Court	58	58	60	60	63	63	63	63	64	65
Family Court	78	81	86	80	82	80	78	80	81	69
Probate Court	7	7	7	7	7	7	7	7	7	7
Public safety										
Sheriff	125	132	132	134	135	137	135	134	135	134
Courtroom Security	-	-	-	-	10	8	9	8	8	8
Community Corrections	8	8	8	8	8	5	8	8	8	5
Emergency Services	3	3	3	2	3	2	2	2	2	2

Continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule F-1

Full-time Equivalent County Government Employees by Function/Program (concluded) Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Health										
Public Health	110	87	79	81	85	85	86	87	87	81
Mental Health	324	324	328	323	327	329	333	341	346	342
Brookhaven Medical Care	244	244	239	239	239	242	274	270	268	269
Water system	-	-	-	-	2	2	2	2	2	3
Wastewater	81	81	81	65	59	57	57	57	57	54
Solid Waste	15	15	15	15	14	14	13	14	13	14
Welfare										
Child Haven	16	16	16	16	16	16	16	16	16	16
Juvenile Detention Center	26	26	27	27	27	27	27	27	27	29
Workforce Development	21	22	21	21	22	23	23	23	24	12
Cultural										
MSU Cooperative Extension	2	2	1	1	1	1	1	1	1	1
District Library	42	42	41	41	27	39	-	-	-	-
Parks and Recreation										
County Parks	22	22	22	22	22	22	22	22	22	22
Convention/Visitor's Bureau	5	4	5	6	7	7	7	8	8	6
Airport	16	20	15	15	14	13	13	12	13	12
Transit	45	46	46	46	47	46	46	46	46	54
Total	1,451	1,448	1,425	1,402	1,409	1,419	1,417	1,418	1,425	1,382

Source: Muskegon County Budget Office

COUNTY OF MUSKEGON, MICHIGAN

Schedule F-2

Operating Indicators by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety Police										
Bookings	8,953	9,049	9,343	9,815	10,343	11,083	10,475	9,567	8,743	8,436
Traffic Stops	3,837	4,283	3,521	3,087	2,447	2,836	2,025	2,135	1,964	2,147
Verbal Warnings	2,094	1,892	1,706	1,683	1,100	1,082	1,421	1,747	2,130	2,419
Citations	4,391	4,329	2,851	2,491	2,039	2,460	2,082	1,393	1,721	1,377
Sanitation										
Refuse collected (tons)	76,026	67,573	61,256	88,971	126,994	125,775	147,484	104,984	128,850	137,467
Recyclables collected (tons)	89	69	77	66	39	22	16	18	79	65
Water										
New connections	886	941	995	1,033	106	152	91	70	194	61
Average daily consumption (thousands of gallons)	348	380	374	483	406	680	560	1,108	520	1,195
Wastewater										
Average daily sewer treatment (million gallons)	25	25	26	23	20	20	20	16	13	12
District Court										
Cases filed	48,193	45,766	43,554	44,573	45,275	48,304	47,631	42,527	39,993	34,796
Cases disposed	55,210	51,708	51,932	46,915	45,036	48,431	47,584	45,331	40,937	39,045
Cases pending	8,069	8,083	5,800	6,183	6,607	6,450	7,036	4,571	13,915	4,609
Airport										
Total landings / take-offs	NP	NP	61,243	63,876	56,743	53,852	62,538	58,137	47,373	37,017
Passengers	NP	NP	64,819	72,134	68,811	63,651	63,957	35,119	27,362	27,711
Transit										
Total Vehicle Miles	593,641	573,918	570,726	581,368	576,018	569,060	547,048	534,484	595,223	695,211
Total Revenue Miles	578,773	556,846	504,545	541,758	553,740	554,256	513,873	530,039	595,217	676,887
Total Passengers	399,714	408,144	424,217	437,815	493,631	529,377	611,162	617,828	641,416	739,283

Source: Sheriff's Department, Road Commission, Solid Waste, Wastewater, District Court, County Airport, Transit System

Note: NP = Not Provided

COUNTY OF MUSKEGON, MICHIGAN

Schedule F-3

Capital Asset Statistics by Function / Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety Police										
Jail	1	1	1	1	1	1	1	1	1	1
Patrol Units	27	27	28	25	25	24	24	25	25	30
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										
Storm and Sanitary (miles)	253	253	263	263	263	278	278	278	278	278
Maximum Daily Treatment Capacity (thousands of gallons)	43,000	43,000	43,000	43,000	43,000	42,000	42,000	42,000	42,000	42,000
Airport										
Capacity (thousand of passengers)	139	143	119	129	129	118	91	66	63	70
Transit										
Number of Buses	15	18	15	15	18	22	22	17	17	21
Solid Waste										
Capacity (thousand cubic yards)	934	2,654	3,100	3,100	3,100	3,778	3,778	3,778	3,778	1,596



COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 2

Schedule of Expenditures of State and Federal Awards

For the Year Ended September 30, 2011

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant No./ Authorization Number	Program Award Amount	Current Year Expenditures				Prior Year's Expended	Award Amount Remaining
				Total	Federal	State	Local		
U.S. Department of Transportation									
Capital assistance - section 5307	20.507	90-0365	\$1,689,142	\$ 301,739	\$ 301,739	\$ -	\$ -	\$ 1,387,403	\$ -
Capital assistance - section 5307	20.507	90-0388	1,707,054	13,366	13,366	-	-	1,427,542	266,146
Capital assistance - section 5307	20.507	90-0407	1,968,161	-	-	-	-	1,688,961	279,200
Capital assistance - section 5307	20.507	90-0443	1,688,826	66,881	66,881	-	-	1,621,945	-
Capital assistance - section 5307	20.507	90-0497	1,508,469	2,285	2,285	-	-	1,426,750	79,434
Capital assistance - section 5307	20.507	90-0558	1,456,745	23,091	23,091	-	-	1,384,939	48,715
Capital assistance - section 5307	20.507	90-0596	915,774	41,601	41,601	-	-	874,073	100
Capital assistance - section 5307	20.507	90-0624	1,535,560	928,960	928,960	-	-	-	606,600
Capital assistance - section 5307	20.507	90-0636	1,535,560	200,000	200,000	-	-	-	1,335,560
Capital grant - section 5309 - capital assistance	20.507	03-0228	485,888	29,913	29,913	-	-	-	455,975
Capital grant - section 5309 - facility development	20.507	04-0069	451,440	2,083	2,083	-	-	-	449,357
Capital grant - CMAQ capital assistance	20.507	95-0043	162,000	29,466	29,466	-	-	132,534	-
Capital grant - CMAQ capital assistance	20.507	95-0055	411,822	45,627	45,627	-	-	-	366,195
Capital grant - CMAQ capital assistance - vehicles	20.507	95-0072	160,000	160,000	160,000	-	-	-	-
ARRA Capital grant - bus equipment replacement	20.507	96-0010	2,043,050	106,257	106,257	-	-	627,092	1,309,701
Passed through Michigan Department of Transportation									
FTA/MDOT Section 5317 New Freedom - 2007-0264/Z16	20.507	07-0264/Z16	540,000	100,000	100,000	-	-	-	440,000
Total U.S. Department of Transportation				2,051,269	2,051,269	-	-	10,571,239	5,636,983
Michigan Department of Transportation									
Operating Assistance - formula funding - prior years	N/A		63	63	-	63	-	-	-
Operating Assistance - formula funding	N/A	FY11	796,998	796,998	-	796,998	-	-	-
Specialized services	N/A	07-0264/Z18	65,499	65,499	-	65,499	-	-	-
FY2004/05 Capital Match - CMAQ	N/A	02-0072/Z11	209,000	16,720	-	16,720	-	39,478	152,802
FY2009 CMAQ Small Bus Match Funds - 20%	N/A	07-0264/Z14	40,500	7,367	-	7,367	-	33,133	-
FY2011 CMAQ Small Bus Match Funds - 20%	N/A	07-0264/Z19	40,000	40,000	-	40,000	-	-	-
FY2005 Architecture and Engineering Match Funds - 20%	N/A	07-0264/Z2	121,472	7,478	-	7,478	-	-	113,994
FY2011/12 Preventative Maintenance Match - 20%	N/A	07-0264/Z20	110,000	50,000	-	50,000	-	-	60,000
FY2009 Architecture and Engineering Match Funds - 20%	N/A	07-0264/Z22	112,860	521	-	521	-	-	112,339
Total Operating Assistance - Act 51				984,646	-	984,646	-	72,611	439,135
Total				\$ 3,035,915	\$ 2,051,269	\$ 984,646	\$ -	\$ 10,643,850	\$ 6,076,118

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4E

Urban Regular Service Expense Report

For the Year Ended September 30, 2011

	Operations	Maintenance	General Administration	Total System
Operating expenses				
Labor				
Salaries and wages - operators	\$ 1,011,128	\$ -	\$ -	\$ 1,011,128
Salaries and wages - other	244,559	132,763	68,201	445,523
Fringe benefits	694,861	83,842	30,506	809,209
Pension	118,094	16,016	5,533	139,643
Services				
Specialized services	65,499	-	-	65,499
Advertising	-	-	36,341	36,341
Audit	-	-	2,562	2,562
Other services	-	4,841	6,283	11,124
Materials and supplies				
Fuel	313,102	-	-	313,102
Tires and tubes	25,563	-	-	25,563
Other materials and supplies	238,452	200,807	44,926	484,185
Casualty and liability costs				
Liability insurance	130,073	-	-	130,073
Other insurance	-	-	9,703	9,703
Utilities	-	80,668	21,560	102,228
Miscellaneous				
Travel, meetings and training	-	-	848	848
Association dues and subscriptions	-	-	8,052	8,052
Local capital item	-	-	37,227	37,227
Other	-	-	2,436	2,436
Interest expense	-	-	1,649	1,649
Depreciation	537,900	-	60	537,960
Total operating expenses	3,379,231	518,937	275,887	4,174,055

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4E

Urban Regular Service Expense Report

For the Year Ended September 30, 2011

	Operations	Maintenance	General Administration	Total System
Ineligible expenses				
Ineligible depreciation	\$ 537,900	\$ -	\$ -	\$ 537,900
Ineligible specialized services contract	65,499	-	-	65,499
Ineligible local contracts	-	-	37,227	37,227
Ineligible interest expense	618	-	-	618
Ineligible portion of association dues	826	-	-	826
Administrative expense paid by capital contract	2,604	-	-	2,604
Capital grants not capitalized	148,972	-	-	148,972
New service CMAQ - federal	315,105	-	-	315,105
New service - local	78,776	-	-	78,776
Ineligible preventive maintenance	-	350,000	-	350,000
Ineligible new freedom grant	-	-	100,000	100,000
Total ineligible expenses	<u>1,150,300</u>	<u>350,000</u>	<u>137,227</u>	<u>1,637,527</u>
Total eligible expenses				<u><u>\$ 2,536,528</u></u>



COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund
 Schedule 4N
 Urban Regular Service Nonfinancial Report
 For the Year Ended September 30, 2011

	Miles	Hours
Linehaul		
First Quarter	137,574	10,099
Second Quarter	130,057	9,639
Third Quarter	135,685	10,060
Fourth Quarter	142,376	10,458
	545,692	40,256
Demand response		
First Quarter	37,698	2,012
Second Quarter	35,589	2,442
Third Quarter	34,401	1,985
Fourth Quarter	41,831	2,471
	149,519	8,910
Total operations	695,211	\$ 49,166

The methodology used for compiling miles and other nonfinancial data information used to allocate costs has been reviewed and the recording method has been found to be adequate and reliable.

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

Schedule 4R

Urban Regular Service Revenue Report

For the Year Ended September 30, 2011

	Linehaul	Demand Response	Total
Passenger fares	\$ 555,292	\$ 41,908	\$ 597,200
Concessions	2,081	-	2,081
Advertising	2,580	-	2,580
Greyhound commissions	44,386	-	44,386
Building rental	175	-	175
Other nontransit revenue	3,280	-	3,280
Transfer in from other funds	37,227	-	37,227
Local operating assistance	132,167	-	132,167
	<u>777,188</u>	<u>41,908</u>	<u>819,096</u>
State Cash Grants/Reimbursements			
Prior year revenue	63	-	63
Specialized services	65,499	-	65,499
FY2004/05 Capital Match - 2002-0072/Z11	16,720	-	16,720
FY2011 Formula Funding - 2007-0264	705,234	91,764	796,998
FY2009 CMAQ Small Bus Match Funds - 2007-0264/Z14	7,367	-	7,367
FY2011 CMAQ Small Bus Match Funds - 2007-0264/Z19	40,000	-	40,000
FY2005 Architecture and Engineering Match Funds - 2007-0264/Z2	7,478	-	7,478
FY2011/12 Preventative Maintenance Match - 2007-0264/Z20	50,000	-	50,000
FY2009 Architecture and Engineering Match Funds - 2007-0264/Z22	521	-	521
	<u>892,882</u>	<u>91,764</u>	<u>984,646</u>

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund Schedule 4R Urban Regular Service Revenue Report For the Year Ended September 30, 2011

	Linehaul	Demand Response	Total
Federal Cash Grants/Reimbursements			
FY2005 Section 5309 Capital Assistance - MI-03-0228	\$ 29,913	\$ -	\$ 29,913
FY2009 Section 5309 Facility Development - MI-04-0069	2,083	-	2,083
FY2001 Section 5307 Operating Assistance - MI-90-x365	301,739	-	301,739
FY2002 Section 5307 Operating Assistance - MI-90-x388	13,366	-	13,366
FY2004 Section 5307 Assistance - MI-90-x443	66,881	-	66,881
FY2006 Section 5307 Operating Assistance - MI-90-x497	2,285	-	2,285
FY2008 Section 5307 Operating Assistance - MI-90-x558	23,091	-	23,091
FY2009 Section 5307 Operating Assistance - MI-90-x596	41,601	-	41,601
FY2010 Section 5307 Operating Assistance - MI-90-x624	803,839	125,121	928,960
FY2011 Section 5307 Operating Assistance - MI-90-x636	200,000	-	200,000
FY2009 CMAQ Capital Assistance - MI-95-x043	29,466	-	29,466
FY2010 CMAQ Capital Assistance - MI-95-x055	45,627	-	45,627
FY2011 CMAQ 3 Vehicles - MI-95-x072	160,000	-	160,000
Repl (7) 35' buses, PM, support & fb equip - MI-96-x010	106,257	-	106,257
FTA/MDOT Section 5317 New Freedom - 2007-0264/Z16	100,000	-	100,000
	<u>1,926,148</u>	<u>125,121</u>	<u>2,051,269</u>
Other revenue			
Interest income	618	-	618
	<u>618</u>	<u>-</u>	<u>618</u>
Total revenues	<u>\$ 3,596,836</u>	<u>\$ 258,793</u>	<u>\$ 3,855,629</u>

Other nonoperating revenue above includes gains from sales of capital assets of \$2,406, reimbursements of \$918, and cash short of (\$44).

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund Schedule 5 Operating Assistance Calculation For the Year Ended September 30, 2011

State eligible expenses	
Labor	\$ 1,456,651
Fringe benefits	809,209
Pension	139,643
Service	112,964
Audit	2,562
Materials and supplies	822,850
Casualty and liability costs	130,073
Other insurance	9,703
Utilities	102,228
Miscellaneous	48,563
Interest expense	1,649
Depreciation	537,960
	<hr/>
Total expenses	4,174,055
Less ineligible expenses	
Ineligible depreciation	537,900
Ineligible specialized services contract	65,499
Ineligible local contracts	37,227
Ineligible interest expense	618
Ineligible portion of association dues	826
Administrative expense paid by capital contract	2,604
Capital grants not capitalized	148,972
New service CMAQ - federal	315,105
New service - local	78,776
Ineligible preventive maintenance	350,000
Ineligible new freedom grant	100,000
	<hr/>
Total ineligible expenses	1,637,527
	<hr/>
State eligible expenses	\$ 2,536,528
	<hr/> <hr/>
State operating assistance - 31.4086%	\$ 796,688
	<hr/> <hr/>

COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund Schedule 5 Operating Assistance Calculation For the Year Ended September 30, 2011

Federal eligible expenses

Federal eligible expenses	\$ 2,536,528
Less additional federal ineligible expenses:	
Audit costs	<u>2,562</u>

Federal eligible expenses \$ 2,533,966

Section 5307 reimbursement (16%) \$ 405,435

Operating revenues and expenses differ from the financial statements by \$16,377 as County management did not record the 4th quarter specialized services contract after determining it was immaterial.

The following cost allocation plans were adhered to in the preparation of the financial statements:
2007 Central Service Cost Allocation Plan (submitted June 2008)

Capital items purchased with capital grants of \$148,972 are included in operating expenses above and are excluded for purposes of calculating operating reimbursements.

Pension expenses above include only amounts actually paid.