

County of
Muskegon,
Michigan



Year Ended
September 30,
2012

Comprehensive
Annual Financial
Report



County of Muskegon, Michigan

Comprehensive Annual Financial Report
For the Year Ended September 30, 2012

*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, 2012

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

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

BOARD OF COMMISSIONERS

Kenneth Mahoney
Chair, District 9

Rillastine R. Wilkins
Vice-Chair, District 1

Benjamin E. Cross
District 2

James J. Derezinski
District 7

Marvin R. Engle
District 5

Susie Hughes
District 3

Charles Nash
District 6

Terry J. Sabo
District 8

Robert Scolnik
District 4

March 28, 2013

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, 2012.

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, 2012, 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, 2012, 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.

COUNTY OF MUSKEGON, MICHIGAN

Transmittal Letter

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, MICHIGAN

Transmittal Letter

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 postemployment 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 \$29 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, 2011. This was the 34th 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.

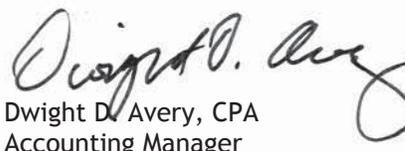
A Certificate of Achievement is valid for a period of one year only. We believe this current report continues to conform to the Certificate of Achievement program requirements, and will be submitting it to GFOA to determine its eligibility for another certificate for the year ended September 30, 2012.

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,



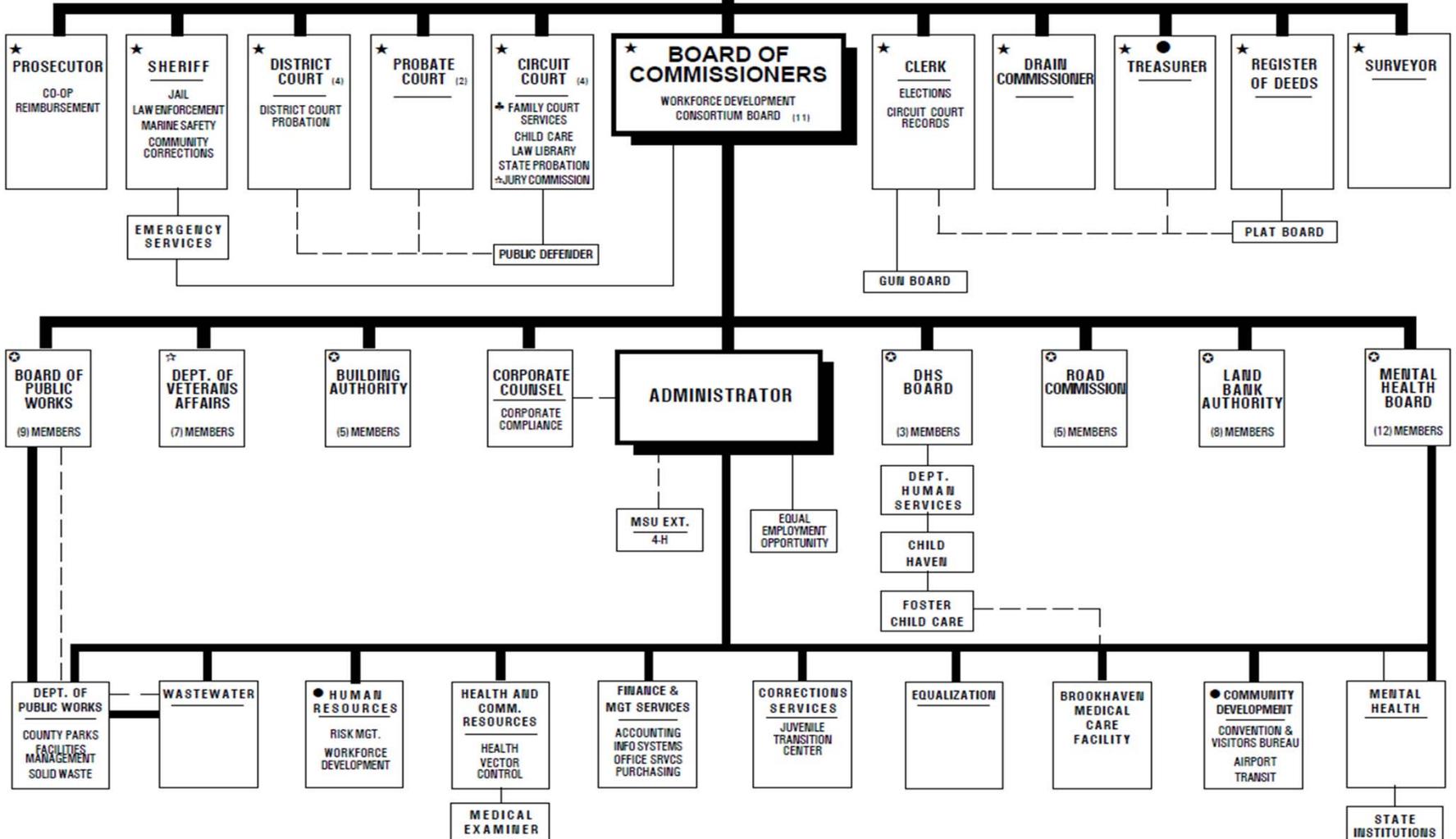
Heath Kaplan
Finance and Administrative Services Director



Dwight D. Avery, CPA
Accounting Manager

2012 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, 2011

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.



Christophe P. Mouill
President

Jeffrey R. Emer
Executive Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

March 28, 2013

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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County of Muskegon, Michigan. 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 95 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 a major special revenue fund and which represents 9 percent, 2 percent, and 56 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 the Muskegon County Community Mental Health fund, is based solely 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. The financial statements of the Muskegon County Road Commission were not audited in accordance with *Government Auditing Standards*. 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 previously 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, 2012, 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 our report dated March 28, 2013, on our consideration of the County'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 act compliance 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and employer contributions for the pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

As management of the County of Muskegon, Michigan (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, 2012. 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

- The County's net assets decreased about \$3.06 million, or 1.6%, as a result of this year's operations. Net assets of governmental activities decreased by about \$1.38 million, or 2.0%, and net assets of business-type activities decreased by nearly \$1.68 million, or 1.3%.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$17.7 million, a decrease of nearly \$1.96 million in comparison with the prior year. Approximately \$7.84 million (44.2 percent) of this governmental funds total amount is unassigned fund balance in the General Fund.
- Borrowings for the year included \$12 million in delinquent tax anticipation notes (DTANs), an installment purchase agreement of approximately \$2.71 million used to fund technology upgrades, and roughly \$890,000 in draws on existing revenue bonds to fund Wastewater system improvements.

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 government'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 vacation leave).

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, judicial, 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, 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.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

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 government'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 government'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 (nonmajor governmental funds). Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements and schedules.

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

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, 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 statements 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.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

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 Postemployment 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 \$194,311,687 at the close of the most recent fiscal year. The following chart illustrates the composition of net assets at September 30.

	Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 46,391,980	\$ 51,055,744	\$ 90,188,746	\$ 90,402,273	\$ 136,580,726	\$ 141,458,017
Capital assets, net	72,192,434	66,213,644	183,968,076	189,410,922	256,160,510	255,624,566
Total assets	118,584,414	117,269,388	274,156,822	279,813,195	392,741,236	397,082,583
Long-term liabilities	30,795,252	30,365,582	143,096,973	147,395,657	173,892,225	177,761,239
Other liabilities	20,437,217	18,169,211	4,100,107	3,775,576	24,537,324	21,944,787
Total liabilities	51,232,469	48,534,793	147,197,080	151,171,233	198,429,549	199,706,026
Net assets:						
Invested in capital assets, net of related debt	48,399,038	42,982,166	100,796,180	101,922,705	149,195,218	144,904,871
Restricted	4,030,679	3,593,491	-	-	4,030,679	3,593,491
Unrestricted	14,922,228	22,158,938	26,163,562	26,719,257	41,085,790	48,878,195
Total net assets	\$ 67,351,945	\$ 68,734,595	\$ 126,959,742	\$ 128,641,962	\$ 194,311,687	\$ 197,376,557

By far the largest portion of the County's net assets in the amount of 77% 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 \$41,085,790, or 21%, 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.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

Statement of Activities. The County's total revenue for the fiscal year ended September 30, 2012, was approximately \$202.0 million while total cost of all programs and services was \$205.0 million. This results in a decrease in net assets of \$3.0 million. The following table presents a summary of the changes in net assets for the years ended September 30:

	Change in Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program revenues:						
Charges for services	\$ 14,220,531	\$ 14,701,301	\$ 41,827,665	\$ 42,465,433	\$ 56,048,196	\$ 57,166,734
Operating grants	102,767,152	109,975,219	1,305,481	3,622,067	104,072,633	113,597,286
Capital grants	383,385	-	5,376,923	1,065,106	5,760,308	1,065,106
General revenues:						
Property taxes	24,593,213	26,105,660	-	-	24,593,213	26,105,660
Other taxes	4,733,973	5,409,120	-	-	4,733,973	5,409,120
Other	6,275,709	5,583,872	466,939	1,160,177	6,742,648	6,744,049
Total revenues	152,973,963	161,775,172	48,977,008	48,312,783	201,950,971	210,087,955
Expenses:						
General government	16,386,850	16,872,165	-	-	16,386,850	16,872,165
Legislative	433,637	544,762	-	-	433,637	544,762
Judicial	7,658,167	8,442,768	-	-	7,658,167	8,442,768
Public safety	15,180,265	13,759,128	-	-	15,180,265	13,759,128
Health	104,068,288	105,761,268	-	-	104,068,288	105,761,268
Welfare	9,352,942	11,581,984	-	-	9,352,942	11,581,984
Cultural	247,196	788,383	-	-	247,196	788,383
Recreation	881,208	783,268	-	-	881,208	783,268
Other	2,417,637	1,133,014	-	-	2,417,637	1,133,014
Interest	683,759	720,861	-	-	683,759	720,861
Local government public works financing	-	-	1,370,173	1,465,092	1,370,173	1,465,092
Airport operations	-	-	2,568,835	2,822,362	2,568,835	2,822,362
Regional water	-	-	2,960,778	3,036,222	2,960,778	3,036,222
Wastewater	-	-	16,442,426	17,372,441	16,442,426	17,372,441
Brookhaven	-	-	15,440,788	17,253,412	15,440,788	17,253,412
Other enterprise funds	-	-	8,922,892	8,487,808	8,922,892	8,487,808
Total expenses	157,309,949	160,387,601	47,705,892	50,437,337	205,015,841	210,824,938
Increase (decrease) before transfers	(4,335,986)	1,387,571	1,271,116	(2,124,554)	(3,064,870)	(736,983)
Transfers	2,953,336	1,469,469	(2,953,336)	(1,469,469)	-	-
Increase (decrease) in net assets	\$ (1,382,650)	\$ 2,857,040	\$ (1,682,220)	\$ (3,594,023)	\$ (3,064,870)	\$ (736,983)

Governmental Activities. The preceding table shows that the governmental activities decreased the County's net assets by approximately \$1.4 million during this fiscal year. The decrease is primarily the result of a reduction in fund balance at the governmental fund level resulting from budgetary decision, significant positive contributions to governmental activities and underfunding of the County's other post employment benefit plan during the year.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

Business-type Activities. Business-type activities decreased the County's net assets by approximately \$1.7 million during the year. This decrease is primarily the result of normal operations, transfer from the enterprise funds to governmental activities and a \$1.2 million loss on disposal of capital assets realized when closing the fairgrounds funds.

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 government'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 \$17.7 million, a decrease of \$1.96 million from the prior year. This was primarily due to \$1.5 million of capital outlays on the Hall of Justice project funded with a transfer from the public improvement fund and the general fund budgeted decline in fund balance of \$.6 million.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,839,090 while total fund balance amounted to \$10,731,588. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

Proprietary Funds. The County's proprietary fund financial 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 wastewater fund reported an increase in net assets of \$1.0 million as a result of cost controls, consistent operations management and strong crop prices. Nonmajor enterprise operations reported a net loss in net assets of \$2.8 million primarily as a result of transfers out to governmental activities and the loss on disposal of capital assets resulting from the closing of the fairgrounds fund.

General Fund Budgetary Highlights. Several budget amendments were made during the year to adjust for unexpected revenues or expenditures, these include:

- Property tax revenues were expected to be consistent with 2010 but taxable value again declined which resulted in reduced revenue and amended budget amounts.
- Increases in cooperative reimbursement and friend of the court expenditures were offset by a reduction in juvenile court expenditures.
- Transfers out of the general fund to subsidize the Brookhaven enterprise fund significantly exceeded expectation.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

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 (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 4,279,226	\$ 4,448,610	\$ 19,850,075	\$ 19,841,075	\$ 24,129,301	\$ 24,289,685
Construction in progress	9,428,892	2,077,892	126,171	1,248,395	9,555,063	3,326,287
	13,708,118	6,526,502	19,976,246	21,089,470	33,684,364	27,615,972
Depreciable capital assets	101,494,603	99,268,121	277,430,969	278,316,002	378,925,572	377,584,123
Accumulated depreciation	(43,010,287)	(39,580,979)	(113,439,139)	(109,994,550)	(156,449,426)	(149,575,529)
Total capital assets, net	<u>\$ 72,192,434</u>	<u>\$ 66,213,644</u>	<u>\$ 183,968,076</u>	<u>\$ 189,410,922</u>	<u>\$ 256,160,510</u>	<u>\$ 255,624,566</u>

Current year additions to governmental activities capital assets included significant investments in technology, energy efficiency, the Hall of Justice improvements and transfer of all capital assets of the fairgrounds enterprise fund to governmental activities. The decline in enterprise fund capital assets is primarily the result of normal depreciation and the transfer of capital assets resulting from closure of the fairgrounds enterprise fund.

Additional information on the County's capital assets can be found in Note 9 of this report.

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					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Bonds	\$ 21,925,000	\$ 23,560,000	\$ 111,683,365	\$ 117,090,152	\$ 133,608,365	\$ 140,650,152
Delinquent tax notes	-	-	16,000,000	15,500,000	16,000,000	15,500,000
Other debt	2,103,937	95,000	-	-	2,103,937	95,000
Deferred costs, premium	(165,780)	(184,200)	495,211	485,926	329,431	301,726
Closure and sludge cost	-	-	13,275,475	12,590,843	13,275,475	12,590,843
Compensated absences	6,932,095	6,894,782	1,642,922	1,728,736	8,575,017	8,623,518
Totals	<u>\$ 30,795,252</u>	<u>\$ 30,365,582</u>	<u>\$ 143,096,973</u>	<u>\$ 147,395,657</u>	<u>\$ 173,892,225</u>	<u>\$ 177,761,239</u>

The County debt limit, as defined by statute, is ten percent (10%) of state equalized property values, which makes the debt limit currently approximately \$474 million. Total County long-term debt subject to this limit is approximately \$151 million.

Additional information on the County long-term debt can be found in Note 10.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following table shows a summary of the County General Fund changes in fund balance for the last two fiscal years along with a summary of the original fiscal 2013 balanced budget.

	General Fund Changes in Fund Balance (dollars in thousands)		
	2013 Budget	2012	2011
Revenues	\$ 43,885	\$ 41,113	\$ 43,859
Expenditures			
General government	14,535	14,632	16,046
Legislative	400	422	465
Judicial	7,859	7,095	8,208
Public safety	11,265	11,169	11,782
Cultural	171	174	150
Other	2,539	2,411	1,197
Total expenditures	36,769	35,903	37,848
Revenues over/(under) expenditures	7,116	5,210	6,011
Other financing sources/(uses)			
Transfers in	2,270	4,025	3,887
Transfers out	(9,386)	(9,841)	(10,059)
Other	-	12	-
Total other financing sources/(uses)	(7,116)	(5,804)	(6,172)
Changes in fund balance	-	(594)	(161)
Fund balance, beginning	10,731	11,325	11,486
Fund balance, ending	\$ 10,731	\$ 10,731	\$ 11,325

The following economic factors were considered in preparing the County's budget for the 2013 fiscal year:

- The decline in property values over the past several years has slowed and therefore it was anticipated in the fiscal year 2013 budget that property tax revenues will be consistent with 2012 levels.
- Increased contribution rates for defined benefit pension and defined benefit other postemployment benefit plans resulting from declining active participants in closed plans and poor investment performance.
- Historically low interest earnings due to low market rates.
- Existing labor agreements include no general salary increases for any bargaining unit nor for the County's non-bargaining classifications. However, included in the fiscal year 2013 budget for all bargaining units and the general fund classifications is a one-time stipend payment of \$600 for full time; \$300 for part-time; and \$200 for hourly employees.

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, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 27,419,673	\$ 39,006,842	\$ 66,426,515	\$ 2,378,641
Receivables, net	15,506,972	51,458,245	66,965,217	4,234,078
Internal balances	2,875,548	(2,875,548)	-	-
Other assets	568,287	417,617	985,904	2,706,954
Restricted assets	-	1,931,590	1,931,590	-
Advances to component units	21,500	250,000	271,500	-
Capital assets not being depreciated	13,708,118	19,976,246	33,684,364	24,539,094
Capital assets being depreciated, net	58,484,316	163,991,830	222,476,146	44,957,885
Total assets	118,584,414	274,156,822	392,741,236	78,816,652
Liabilities				
Payables	13,963,173	2,071,248	16,034,421	456,684
Accrued liabilities	5,241,465	2,028,859	7,270,324	614,779
Advances from primary government	-	-	-	271,500
Unearned revenue	53,879	-	53,879	214,928
Long-term liabilities:				
Due within one year	5,517,706	18,542,454	24,060,160	427,346
Due in more than one year	25,277,546	124,554,519	149,832,065	330,106
Net other postemployment benefit obligation	1,178,700	-	1,178,700	-
Total liabilities	51,232,469	147,197,080	198,429,549	2,315,343
Net assets				
Invested in capital assets, net of related debt	48,399,038	100,796,180	149,195,218	69,077,633
Restricted for:				
Grant programs and other activities	3,545,741	-	3,545,741	-
Debt service	390,177	-	390,177	-
Capital projects	53,165	-	53,165	-
Nonexpendable endowments	41,596	-	41,596	-
Unrestricted	14,922,228	26,163,562	41,085,790	7,423,676
Total net assets	\$ 67,351,945	\$ 126,959,742	\$ 194,311,687	\$ 76,501,309

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, 2012

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	\$ 16,386,850	\$ 4,722,282	\$ 1,222,696	\$ 383,385	\$ (10,058,487)
Legislative	433,637	-	-	-	(433,637)
Judicial	7,658,167	2,604,467	2,681,320	-	(2,372,380)
Public safety	15,180,265	857,657	1,191,782	-	(13,130,826)
Health	104,068,288	3,580,709	88,311,308	-	(12,176,271)
Welfare	9,352,942	-	9,168,203	-	(184,739)
Cultural	247,196	-	68,049	-	(179,147)
Recreation	881,208	682,264	62,090	-	(136,854)
Other	2,417,637	1,263,533	61,704	-	(1,092,400)
Interest	683,759	509,619	-	-	(174,140)
Total governmental activities	157,309,949	14,220,531	102,767,152	383,385	(39,938,881)
Business-type activities:					
Local government public					
works financing	1,370,173	1,366,747	-	-	(3,426)
Airport operations	2,568,835	920,186	-	1,105,351	(543,298)
Regional water	2,960,778	2,844,400	-	-	(116,378)
Wastewater	16,442,426	16,466,100	-	926,000	949,674
Brookhaven Medical Care	15,440,788	13,491,511	-	-	(1,949,277)
Other enterprise funds	8,922,892	6,738,721	1,305,481	3,345,572	2,466,882
Total business-type activities	47,705,892	41,827,665	1,305,481	5,376,923	804,177
Total primary government	\$ 205,015,841	\$ 56,048,196	\$ 104,072,633	\$ 5,760,308	\$ (39,134,704)
Component units					
Road Commission	\$ 13,833,606	\$ 2,706,680	\$ 9,032,952	\$ 3,518,666	\$ 1,424,692
Drainage Districts	275,752	168,921	-	-	(106,831)
Muskegon County Land Bank	238,863	550,358	50,000	-	361,495
Total component units	\$ 14,348,221	\$ 3,425,959	\$ 9,082,952	\$ 3,518,666	\$ 1,679,356

continued...

COUNTY OF MUSKEGON, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net revenue (expense)	\$ (39,938,881)	\$ 804,177	\$ (39,134,704)	\$ 1,679,356
General revenues:				
Property taxes	24,593,213	-	24,593,213	-
State shared revenue	2,728,341	-	2,728,341	-
Liquor control taxes	1,095,224	-	1,095,224	-
Lodging excise taxes	910,408	-	910,408	-
Unrestricted investment earnings	256,386	348,500	604,886	34,356
Gain of sale of capital assets	15,081	15,456	30,537	42,642
Other revenue	6,004,242	102,983	6,107,225	98,396
Transfers - internal activities	2,953,336	(2,953,336)	-	-
Total general revenues and transfers	38,556,231	(2,486,397)	36,069,834	175,394
Change in net assets	(1,382,650)	(1,682,220)	(3,064,870)	1,854,750
Net assets, beginning of year, as restated	68,734,595	128,641,962	197,376,557	74,646,559
Net assets, end of year	\$ 67,351,945	\$ 126,959,742	\$ 194,311,687	\$ 76,501,309

concluded

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

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COUNTY OF MUSKEGON, MICHIGAN

Balance Sheet

Governmental Funds

September 30, 2012

	General Fund (1010)	Community Mental Health (2220)	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 2,112,071	\$ 9,185,922	\$ 5,370,747	\$ 16,668,740
Receivables, net:				
Accounts	171,684	333,268	315,118	820,070
Due from other governments	1,085,936	892,312	3,386,105	5,364,353
Accrued interest	87,256	-	5,941	93,197
Property taxes	5,831,863	-	-	5,831,863
Long-term notes	24,499	-	925,000	949,499
Prepaid and other items	-	149,126	-	149,126
Due from other funds	-	129,516	-	129,516
Inventories	-	-	18,258	18,258
Advances to other funds	2,692,082	-	-	2,692,082
Advances to component units	21,500	-	-	21,500
Total assets	\$ 12,026,891	\$ 10,690,144	\$ 10,021,169	\$ 32,738,204
Liabilities				
Negative equity in pooled cash	\$ -	\$ -	\$ 1,626,804	\$ 1,626,804
Payables:				
Accounts payable	506,812	4,230,890	1,672,922	6,410,624
Due to other governments	135,750	5,341,124	495,880	5,972,754
Accrued liabilities	652,741	-	304,122	956,863
Deferred revenue	-	50,000	3,879	53,879
Total liabilities	1,295,303	9,622,014	4,103,607	15,020,924
Fund balances (Note 16)				
Nonspendable	2,738,081	149,126	984,854	3,872,061
Restricted	114,212	919,004	3,086,214	4,119,430
Committed	-	-	334,904	334,904
Assigned	40,205	-	1,511,590	1,551,795
Unassigned	7,839,090	-	-	7,839,090
Total fund balances	10,731,588	1,068,130	5,917,562	17,717,280
Total liabilities and fund balances	\$ 12,026,891	\$ 10,690,144	\$ 10,021,169	\$ 32,738,204

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, 2012

Fund balances - total governmental funds	\$ 17,717,280
Amounts reported for <i>governmental activities</i> 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	7,231,350
Capital assets being depreciated, net	48,258,080
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	17,352,750
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	(15,140,000)
Unamortized deferred bond issuance costs	38,766
Unamortized deferred loss on bond refunding	165,780
Compensated absences	(6,883,649)
Accrued interest on long-term debt	(209,712)
Net other postemployment benefit obligation	(1,178,700)
Net assets of governmental activities	<u>\$ 67,351,945</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended September 30, 2012

	General Fund (1010)	Community Mental Health (2220)	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 24,426,259	\$ -	\$ 2,607,163	\$ 27,033,422
Licenses and permits	24,027	-	-	24,027
Grants and contributions:				
Federal	1,906,798	493,890	11,597,287	13,997,975
State	4,378,542	78,941,819	6,930,704	90,251,065
Local	-	100,915	202,293	303,208
Charges for services	8,602,901	2,229,915	2,908,840	13,741,656
Fines and forfeitures	473,423	-	2,350	475,773
Investment income	186,944	40,878	28,564	256,386
Rentals	191,810	-	988,313	1,180,123
Contributions from private sources	-	2,599,108	101,494	2,700,602
Other	922,879	777,075	911,306	2,611,260
Total revenues	41,113,583	85,183,600	26,278,314	152,575,497
Expenditures				
Current:				
General government	14,631,630	-	1,164,285	15,795,915
Legislative	421,633	-	-	421,633
Judicial	7,094,947	-	338,919	7,433,866
Public safety	11,169,012	-	1,482,581	12,651,593
Health	-	86,195,851	16,634,358	102,830,209
Welfare	-	-	9,176,530	9,176,530
Cultural	174,598	-	69,437	244,035
Recreation	-	-	679,686	679,686
Other	2,411,386	-	306,910	2,718,296
Debt service:				
Principal	-	-	1,375,000	1,375,000
Interest and fiscal charges	-	-	668,517	668,517
Capital outlay	-	36,367	2,043,109	2,079,476
Total expenditures	35,903,206	86,232,218	33,939,332	156,074,756
Revenues over (under) expenditures	5,210,377	(1,048,618)	(7,661,018)	(3,499,259)

continued...

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended September 30, 2012

	General Fund (1010)	Community Mental Health (2220)	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)				
Transfers in	\$ 4,025,483	\$ 674,119	\$ 8,392,371	\$ 13,091,973
Transfers out	(9,841,211)	-	(1,726,274)	(11,567,485)
Proceeds from sale of capital assets	11,708	-	3,373	15,081
Total other financing sources (uses)	<u>(5,804,020)</u>	<u>674,119</u>	<u>6,669,470</u>	<u>1,539,569</u>
Net change in fund balances	(593,643)	(374,499)	(991,548)	(1,959,690)
Fund balances, beginning of year	<u>11,325,231</u>	<u>1,442,629</u>	<u>6,909,110</u>	<u>19,676,970</u>
Fund balances, end of year	<u>\$ 10,731,588</u>	<u>\$ 1,068,130</u>	<u>\$ 5,917,562</u>	<u>\$ 17,717,280</u>

concluded

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, 2012

Net change in fund balances - total governmental funds \$ (1,959,690)

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	1,895,016
Depreciation expense	(2,025,617)
Proceeds on the sale of capital assets	(15,081)
Loss on sale of capital assets	(311,748)
Donated capital assets from enterprise fund	1,178,848

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.

Principal payments on long-term liabilities	1,375,000
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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	7,485
Amortization of deferred issuance costs	(4,307)
Amortization of deferred loss on refunding	(18,420)
Change in the accrual for compensated absences	(33,363)
Change in net other postemployment benefit obligation	(1,178,700)

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.

Interest income from internal service funds	574,589
Interest expense from internal service funds	(513,369)
Operating loss from governmental activities in internal service funds	(1,532,634)
Capital contributions	383,385
Federal grants and contributions	545,956
Transfers	250,000

Change in net assets of governmental activities \$ (1,382,650)

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

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - General Fund For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 25,610,708	\$ 24,551,845	\$ 24,426,259	\$ (125,586)
Licenses and permits	24,700	24,500	24,027	(473)
Grants and contributions:				
Federal	2,173,179	2,102,397	1,906,798	(195,599)
State	4,324,206	4,218,014	4,378,542	160,528
Charges for services	9,047,034	9,221,709	8,602,901	(618,808)
Fines and forfeitures	534,100	476,700	473,423	(3,277)
Investment income	175,000	133,100	186,944	53,844
Rentals	139,098	193,509	191,810	(1,699)
Other	866,446	926,015	922,879	(3,136)
Total revenues	42,894,471	41,847,789	41,113,583	(734,206)
Expenditures				
Current:				
General government	14,505,647	14,572,453	14,631,630	59,177
Legislative	445,848	457,470	421,633	(35,837)
Judicial	8,124,664	7,807,181	7,094,947	(712,234)
Public safety	10,771,309	11,041,420	11,169,012	127,592
Cultural	177,559	176,497	174,598	(1,899)
Other	2,269,869	2,640,055	2,411,386	(228,669)
Total expenditures	36,294,896	36,695,076	35,903,206	(791,870)
Revenues over (under) expenditures	6,599,575	5,152,713	5,210,377	57,664
Other financing sources (uses)				
Transfers in	2,480,531	3,817,000	4,025,483	208,483
Transfers out	(9,090,106)	(9,431,934)	(9,841,211)	(409,277)
Proceeds from sale of capital assets	10,000	13,108	11,708	(1,400)
Total other financing sources (uses)	(6,599,575)	(5,601,826)	(5,804,020)	(202,194)
Net change in fund balances	-	(449,113)	(593,643)	(144,530)
Fund balances, beginning of year	11,325,231	11,325,231	11,325,231	-
Fund balances, end of year	\$ 11,325,231	\$ 10,876,118	\$ 10,731,588	\$ (144,530)

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

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Community Mental Health Special Revenue Fund For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Grants and contributions:				
Federal	\$ 750,707	\$ 586,814	\$ 493,890	\$ (92,924)
State	81,635,743	82,583,903	78,941,819	(3,642,084)
Local	108,200	109,000	100,915	(8,085)
Charges for services	2,195,000	2,195,000	2,229,915	34,915
Investment income	32,200	38,400	40,878	2,478
Contributions from private sources	2,225,941	2,599,108	2,599,108	-
Other	938,625	921,878	777,075	(144,803)
Total revenues	87,886,416	89,034,103	85,183,600	(3,850,503)
Expenditures				
Current:				
Health	88,506,535	89,635,055	86,195,851	(3,439,204)
Capital outlay	54,000	73,167	36,367	(36,800)
Total expenditures	88,560,535	89,708,222	86,232,218	(3,476,004)
Revenues over (under) expenditures	(674,119)	(674,119)	(1,048,618)	(374,499)
Other financing sources				
Transfers in	674,119	674,119	674,119	-
Net change in fund balances	-	-	(374,499)	(374,499)
Fund balances, beginning of year	1,442,629	1,442,629	1,442,629	-
Fund balances, end of year	\$ 1,442,629	\$ 1,442,629	\$ 1,068,130	\$ (374,499)

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

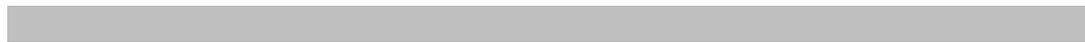
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COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Assets

Proprietary Funds
September 30, 2012

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Assets			
Current assets:			
Cash and investments	\$ 300,212	\$ 1,331,337	\$ 4,282,425
Receivables, net:			
Accounts	1,433	91,218	825,707
Due from other governments	-	13,493	-
Accrued interest	266	453	4,422
Taxes	-	-	-
Notes	-	-	4,764
Leases	1,511,659	-	-
Special assessments	-	-	217,750
Prepays	-	-	-
Inventories	-	-	-
Total current assets	<u>1,813,570</u>	<u>1,436,501</u>	<u>5,335,068</u>
Noncurrent assets:			
Advances to component units	-	-	-
Advances to other funds	-	-	-
Bond issuance costs	-	-	-
Deposits held with others	-	-	-
Restricted assets	-	-	-
Notes receivable	-	-	52,502
Leases receivable	27,844,540	-	-
Special assessments	-	-	1,110,639
Capital assets not being depreciated	-	11,253,098	9,000
Capital assets being depreciated, net	-	18,280,944	17,195,700
Total noncurrent assets	<u>27,844,540</u>	<u>29,534,042</u>	<u>18,367,841</u>
Total assets	<u>29,658,110</u>	<u>30,970,543</u>	<u>23,702,909</u>



Business-type Activities - Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 7,365,596	\$ 1,265,278	\$ 25,438,126	\$ 39,982,974	\$ 12,377,737
525,411	1,408,181	526,228	3,378,178	2,211,999
1,547,379	20,505	850,063	2,431,440	2,968
32,284	-	69,727	107,152	33,023
-	-	13,616,704	13,616,704	-
42,500	-	-	47,264	-
-	-	-	1,511,659	-
-	-	-	217,750	-
-	18,635	-	18,635	199,494
78,759	117,454	4,157	200,370	-
<u>9,591,929</u>	<u>2,830,053</u>	<u>40,505,005</u>	<u>61,512,126</u>	<u>14,825,221</u>
-	-	250,000	250,000	-
-	-	-	-	750,584
198,612	-	-	198,612	-
-	-	-	-	162,643
-	-	1,931,590	1,931,590	-
1,140,417	-	-	1,192,919	200,000
-	-	-	27,844,540	-
-	-	-	1,110,639	-
7,580,177	-	1,133,971	19,976,246	6,476,768
115,398,017	979,334	12,137,835	163,991,830	10,226,236
<u>124,317,223</u>	<u>979,334</u>	<u>15,453,396</u>	<u>216,496,376</u>	<u>17,816,231</u>
<u>133,909,152</u>	<u>3,809,387</u>	<u>55,958,401</u>	<u>278,008,502</u>	<u>32,641,452</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Assets

Proprietary Funds
September 30, 2012

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Liabilities			
Current liabilities:			
Negative equity in pooled cash	\$ -	\$ -	\$ -
Accounts payable	-	48,337	238,001
Accrued liabilities	-	16,643	5,126
Due to other governments	173,602	-	266,207
Accrued interest	519,508	-	280,326
Due to other funds	-	-	-
Current portion of accrued closure cost and sludge removal	-	-	-
Current portion of compensated absences	-	37,074	18,504
Current portion of long-term debt	1,120,000	-	495,000
Total current liabilities	1,813,110	102,054	1,303,164
Noncurrent liabilities, net of current portion:			
Advances from other funds	-	750,584	-
Accrued closure cost and sludge removal	-	-	-
Compensated absences	-	49,146	5,155
Long-term debt	27,845,000	-	14,700,000
Total noncurrent liabilities	27,845,000	799,730	14,705,155
Total liabilities	29,658,110	901,784	16,008,319
Net assets			
Invested in capital assets, net of related debt	-	29,534,042	2,009,700
Unrestricted	-	534,717	5,684,890
Total net assets	\$ -	\$ 30,068,759	\$ 7,694,590

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



Business-type Activities - Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ -	\$ -	\$ 976,132	\$ 976,132	\$ -
133,877	629,593	159,635	1,209,443	1,495,666
100,270	266,115	95,453	483,607	3,867,800
-	290,604	131,392	861,805	84,129
697,780	-	47,638	1,545,252	207,090
-	-	-	-	129,516
-	-	246,310	246,310	-
292,139	213,262	145,477	706,456	-
3,937,395	-	12,037,293	17,589,688	200,000
<u>5,161,461</u>	<u>1,399,574</u>	<u>13,839,330</u>	<u>23,618,693</u>	<u>5,984,201</u>
-	2,124,964	-	2,875,548	567,118
2,197,945	-	10,831,220	13,029,165	-
387,254	282,696	212,215	936,466	48,446
64,039,501	-	4,004,387	110,588,888	8,688,937
<u>66,624,700</u>	<u>2,407,660</u>	<u>15,047,822</u>	<u>127,430,067</u>	<u>9,304,501</u>
<u>71,786,161</u>	<u>3,807,234</u>	<u>28,887,152</u>	<u>151,048,760</u>	<u>15,288,702</u>
55,001,298	979,334	13,271,806	100,796,180	7,814,067
7,121,693	(977,181)	13,799,443	26,163,562	9,538,683
<u>\$ 62,122,991</u>	<u>\$ 2,153</u>	<u>\$ 27,071,249</u>	<u>\$ 126,959,742</u>	<u>\$ 17,352,750</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds For the Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Operating revenues			
Charges for services	\$ 118,422	\$ 920,186	\$ 2,844,400
Farm sales	-	-	-
Interest and penalties	-	-	-
Premiums	-	-	-
Rentals	-	-	-
Lease interest revenue	1,248,325	-	-
Other revenues	1,825	28,781	-
Total operating revenues	1,368,572	948,967	2,844,400
Operating expenses			
Salaries and fringes	120	707,561	166,386
Supplies and other operating expenses	121,725	793,449	1,708,478
Insurance benefits and claims	-	-	-
Insurance premiums	-	-	-
Depreciation	-	1,067,825	411,710
Total operating expenses	121,845	2,568,835	2,286,574
Operating income (loss)	1,246,727	(1,619,868)	557,826
Nonoperating revenues (expenses)			
Operating subsidies	-	-	-
Grants and contributions:			
Federal	-	-	-
State	-	-	-
Interest income	1,601	2,617	98,293
Interest expense	(1,248,328)	-	(674,204)
Gain (loss) on sale of capital assets	-	10,811	-
Total nonoperating revenues (expenses)	(1,246,727)	13,428	(575,911)



Business-type Activities - Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 13,524,291	\$ 13,479,013	\$ 3,940,475	\$ 34,826,787	\$ -
2,941,809	-	-	2,941,809	-
-	-	2,798,246	2,798,246	-
-	-	-	-	16,696,626
-	12,498	-	12,498	1,940,533
-	-	-	1,248,325	-
33,404	334	38,639	102,983	4,255,084
<u>16,499,504</u>	<u>13,491,845</u>	<u>6,777,360</u>	<u>41,930,648</u>	<u>22,892,243</u>
3,738,488	10,115,412	3,647,834	18,375,801	1,202,279
5,129,300	5,193,088	3,847,502	16,793,542	1,514,951
-	-	-	-	115,143
-	-	-	-	20,509,386
5,653,217	132,288	1,300,941	8,565,981	1,083,118
<u>14,521,005</u>	<u>15,440,788</u>	<u>8,796,277</u>	<u>43,735,324</u>	<u>24,424,877</u>
<u>1,978,499</u>	<u>(1,948,943)</u>	<u>(2,018,917)</u>	<u>(1,804,676)</u>	<u>(1,532,634)</u>
-	-	4,616,922	4,616,922	-
926,000	-	-	926,000	545,956
-	-	34,131	34,131	-
84,419	46	161,524	348,500	574,589
(1,921,421)	-	(126,615)	(3,970,568)	(513,369)
(57,905)	-	(1,116,298)	(1,163,392)	-
<u>(968,907)</u>	<u>46</u>	<u>3,569,664</u>	<u>791,593</u>	<u>607,176</u>

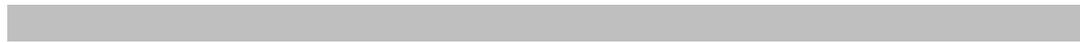
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COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds For the Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Income (loss) before capital contributions and transfers	\$ -	\$ (1,606,440)	\$ (18,085)
Capital contributions	-	1,105,351	-
Transfers in	-	765,310	-
Transfers out	-	-	-
Change in net assets	-	264,221	(18,085)
Net assets, beginning of year, as restated	-	29,804,538	7,712,675
Net assets, end of year	\$ -	\$ 30,068,759	\$ 7,694,590

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



Business-type Activities - Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 1,009,592	\$ (1,948,897)	\$ 1,550,747	\$ (1,013,083)	\$ (925,458)
-	-	-	1,105,351	383,385
-	1,762,084	50,241	2,577,635	250,000
-	-	(4,352,123)	(4,352,123)	-
1,009,592	(186,813)	(2,751,135)	(1,682,220)	(292,073)
61,113,399	188,966	29,822,384	128,641,962	17,644,823
<u>\$ 62,122,991</u>	<u>\$ 2,153</u>	<u>\$ 27,071,249</u>	<u>\$ 126,959,742</u>	<u>\$ 17,352,750</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Cash flows from operating activities			
Receipts from customers and users	\$ 2,176,883	\$ 1,046,231	\$ 2,941,166
Payments to vendors	(5,495)	(793,959)	(1,388,483)
Payments for personnel services	(120)	(701,869)	(164,306)
Delinquent taxes purchased	-	-	-
Net cash provided by (used in) operating activities	<u>2,171,268</u>	<u>(449,597)</u>	<u>1,388,377</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	-	765,310	-
Intergovernmental payments	-	-	-
Operating subsidies from grants	-	-	-
Federal and/or state grants	-	3,443	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>768,753</u>	<u>-</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	(1,070,000)	-	(475,000)
Interest paid on long-term debt	(1,263,378)	-	(681,316)
Capital contributions received	-	-	-
Proceeds from sale of capital assets	-	10,811	-
Purchase of capital assets	-	(56,769)	(134,299)
Net cash provided by (used in) capital and related financing activities	<u>(2,333,378)</u>	<u>(45,958)</u>	<u>(1,290,615)</u>
Cash flows from investing activities			
Interest received	<u>1,601</u>	<u>2,617</u>	<u>98,293</u>
Net increase (decrease) in cash and investments	(160,509)	275,815	196,055
Cash and investments, beginning of year	<u>460,721</u>	<u>1,055,522</u>	<u>4,086,370</u>
Cash and investments, end of year	<u>\$ 300,212</u>	<u>\$ 1,331,337</u>	<u>\$ 4,282,425</u>



Business-type Activities - Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 16,609,177	\$ 14,833,992	\$ 24,505,495	\$ 62,112,944	\$ 20,675,528
(5,022,366)	(4,917,284)	(3,586,547)	(15,714,134)	(21,671,194)
(3,800,249)	(10,204,767)	(3,620,562)	(18,491,873)	(2,561,131)
-	-	(14,818,968)	(14,818,968)	-
<u>7,786,562</u>	<u>(288,059)</u>	<u>2,479,418</u>	<u>13,087,969</u>	<u>(3,556,797)</u>
-	1,562,048	-	2,327,358	2,485,173
-	-	(4,251,882)	(4,251,882)	-
-	-	4,743,732	4,743,732	-
-	-	34,131	37,574	545,956
<u>-</u>	<u>1,562,048</u>	<u>525,981</u>	<u>2,856,782</u>	<u>3,031,129</u>
889,213	-	12,000,000	12,889,213	2,711,792
-	-	41,680	41,680	-
(3,825,000)	-	(11,500,000)	(16,870,000)	(962,855)
(1,991,399)	-	(146,931)	(4,083,024)	(513,636)
-	-	-	-	383,385
-	-	62,550	73,361	-
<u>(252,136)</u>	<u>(13,886)</u>	<u>(2,797,447)</u>	<u>(3,254,537)</u>	<u>(6,047,616)</u>
<u>(5,179,322)</u>	<u>(13,886)</u>	<u>(2,340,148)</u>	<u>(11,203,307)</u>	<u>(4,428,930)</u>
<u>84,419</u>	<u>46</u>	<u>161,524</u>	<u>348,500</u>	<u>574,589</u>
2,691,659	1,260,149	826,775	5,089,944	(4,380,009)
4,673,937	5,129	24,611,351	34,893,030	16,757,746
<u>\$ 7,365,596</u>	<u>\$ 1,265,278</u>	<u>\$ 25,438,126</u>	<u>\$ 39,982,974</u>	<u>\$ 12,377,737</u>

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Cash flows from operating activities			
Operating income (loss)	\$ 1,246,727	\$ (1,619,868)	\$ 557,826
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	1,067,825	411,710
Change in:			
Accounts receivable	(1,433)	96,721	79,587
Due from other governments	597	-	-
Accrued interest receivable	190	543	(416)
Taxes receivable	-	-	-
Leases receivable	808,957	-	-
Special assessment receivable	-	-	13,101
Notes receivable	-	-	-
Prepays	-	-	-
Inventories	-	-	-
Bond issuance cost	-	-	-
Deposits held with others	-	-	-
Restricted assets	-	-	-
Negative equity in pooled cash	-	-	143,715
Accounts payable	(300)	(510)	4,494
Accrued liabilities	-	1,002	176,280
Due to other governments	116,530	-	(320)
Accrued closure cost and sludge removal	-	-	-
Accrued compensated absences	-	4,690	2,400
Net cash provided by (used in) operating activities	<u>\$ 2,171,268</u>	<u>\$ (449,597)</u>	<u>\$ 1,388,377</u>

Noncash transactions

The Airport fund received noncash capital contributions of \$1,105,351 for the year ended September 30, 2012.

The Wastewater fund had long-term debt principal totaling \$926,000 forgiven during the year ended September 30, 2012, reported as federal grants and contributions.

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



Business-type Activities - Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 1,978,499	\$ (1,948,943)	\$ (2,018,917)	\$ (1,804,676)	\$ (1,532,634)
5,653,217	132,288	1,300,941	8,565,981	1,083,118
144,689	1,342,147	(307,265)	1,354,446	(2,200,464)
(49,274)	-	-	(48,677)	1,667
(28,242)	-	(47,883)	(75,808)	(17,918)
-	-	3,264,315	3,264,315	-
-	-	-	808,957	-
-	-	-	13,101	-
42,500	-	-	42,500	-
-	-	-	-	37,906
(13,424)	(2,259)	4,173	(11,510)	-
14,186	-	-	14,186	-
-	-	-	-	69,927
-	-	(86,077)	(86,077)	-
-	-	48,220	191,935	-
(75,354)	136,719	(179,070)	(114,021)	360,453
(5,709)	(36,522)	12,248	147,299	(1,446,931)
(30,354)	141,344	-	227,200	84,129
211,880	-	472,752	684,632	-
(56,052)	(52,833)	15,981	(85,814)	3,950
<u>\$ 7,786,562</u>	<u>\$ (288,059)</u>	<u>\$ 2,479,418</u>	<u>\$ 13,087,969</u>	<u>\$ (3,556,797)</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Fiduciary Net Assets

Fiduciary Funds
September 30, 2012

	Agency Funds	Private-Purpose Trust Fund Epic Heir Trust (7650)	Other Post- employment Benefits Trust (7360)
Assets			
Cash and investments	\$ 5,984,056	\$ 61,629	\$ 891,775
Funds on deposit with MERS	-	-	40,149,448
Receivables:			
Accounts	3,432,212	-	-
Accrued interest	370	81	-
Due from other governments	952	-	-
Total assets	\$ 9,417,590	61,710	41,041,223
Liabilities			
Accounts payable	\$ 294,386	-	256,947
Due to other governments	310,776	-	-
Undistributed current and delinquent taxes	7,168,303	-	-
Trust deposits	878,198	-	-
Accrued liabilities	322	-	-
Unallocated receipts	765,605	-	-
Total liabilities	\$ 9,417,590	-	256,947
Net assets held in trust for:			
Epic children		61,710	-
Other postemployment benefits		-	40,784,276
Total net assets		\$ 61,710	\$ 40,784,276

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, 2012

	Private-Purpose Trust Fund	Other Post- employment
	Epic Heir Trust (7650)	Benefits Trust (7360)
Additions		
Employer contributions	\$ -	\$ 4,611,613
Charges for services	30,353	-
Investment earnings	257	6,671,987
Total additions	<u>30,610</u>	<u>11,283,600</u>
Deductions		
Benefit payments	-	4,562,071
Administrative expenses	15,582	295,250
Total deductions	<u>15,582</u>	<u>4,857,321</u>
Change in net assets	15,028	6,426,279
Net assets, beginning of year	<u>46,682</u>	<u>34,357,997</u>
Net assets, end of year	<u>\$ 61,710</u>	<u>\$ 40,784,276</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, 2012

	Road Commission	Drainage Districts	Muskegon County Land Bank	Total
Assets				
Cash and investments	\$ 1,956,713	\$ 366,660	\$ 55,268	\$ 2,378,641
Receivables:				
Accounts	-	35,000	719,913	754,913
Assessments	-	87,148	-	87,148
Due from other governments	3,032,529	-	-	3,032,529
Accrued interest	-	371	54	425
Property taxes	-	-	4,810	4,810
Other	354,253	-	-	354,253
Prepays and other assets	532,831	-	-	532,831
Inventories	2,063,815	-	-	2,063,815
Assets held for resale	-	-	110,308	110,308
Capital assets not being depreciated	24,539,094	-	-	24,539,094
Capital assets being depreciated, net	41,554,935	3,402,950	-	44,957,885
Total assets	74,034,170	3,892,129	890,353	78,816,652
Liabilities				
Accounts payable	403,303	53,378	3	456,684
Accrued liabilities	597,613	1,364	15,802	614,779
Advances from primary government	-	21,500	250,000	271,500
Unearned revenue	214,928	-	-	214,928
Long-term liabilities:				
Due within one year	427,346	-	-	427,346
Due in more than one year	330,106	-	-	330,106
Total liabilities	1,973,296	76,242	265,805	2,315,343
Net assets				
Invested in capital assets, net of related debt	65,674,683	3,402,950	-	69,077,633
Unrestricted	6,386,191	412,937	624,548	7,423,676
Total net assets	\$ 72,060,874	\$ 3,815,887	\$ 624,548	\$ 76,501,309

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, 2012

	Road Commission	Drainage Districts	Muskegon County Land Bank	Total
Expenses				
Road Commission	\$ 13,833,606	\$ -	\$ -	\$ 13,833,606
Drainage Districts	-	275,752	-	275,752
Muskegon County Land Bank	-	-	238,863	238,863
Total expenses	13,833,606	275,752	238,863	14,348,221
Program revenues				
Charges for services	2,706,680	168,921	550,358	3,425,959
Operating grants and contributions	9,032,952	-	50,000	9,082,952
Capital grants and contributions	3,518,666	-	-	3,518,666
Total program revenues	15,258,298	168,921	600,358	16,027,577
Net revenue (expense)	1,424,692	(106,831)	361,495	1,679,356
General revenues				
Unrestricted investment earnings	-	1,699	32,657	34,356
Gain on sale of assets	42,642	-	-	42,642
Other revenue	97,306	-	1,090	98,396
Total general revenues	139,948	1,699	33,747	175,394
Change in net assets	1,564,640	(105,132)	395,242	1,854,750
Net assets, beginning of year	70,496,234	3,921,019	229,306	74,646,559
Net assets, end of year	\$ 72,060,874	\$ 3,815,887	\$ 624,548	\$ 76,501,309

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

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Notes to 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. The discretely presented component units, excluding the Muskegon County Road Commission (the "Road Commission"), utilize the County's central accounting system and are part of the same internal control structures as the primary government. The Road Commission discretely presented component unit operates outside the County's central accounting system and is responsible for establishing and maintaining their own separate internal control structures.

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. MCRC operates outside the County's central accounting system and is responsible for establishing and maintaining its own separate internal control structure. 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 Authority - The Muskegon County Land Bank Authority ("Land Bank Authority") was established in 2007 pursuant to the Michigan Land Bank Fast Track Act (Public Act 258 of 2003, MCL 124.751 to 124.774) and an intergovernmental agreement entered into between the Michigan Land Bank Fast Track Authority and the Muskegon County Treasurer. This agreement established the Land Bank Authority as a separate legal entity and public body corporate to administer and execute Land Bank Authority objectives.

The Land Bank Authority is governed by a seven-member board including the Muskegon County Treasurer who is, by law, its Board Chair and six other members appointed by the Muskegon County Board of Commissioners (the "County Board"). The Land Bank Authority was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The Land Bank Authority is a component unit of the County as the County Board can significantly influence the operations of the Land Bank Authority Board. 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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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.

Enterprise Funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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).

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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 units. 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:

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	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.

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 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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, 2012, the balance in the stabilization arrangement was \$2,300,000.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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 function 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 function level basis for all governmental funds, which is the legal level of control. The original budget was adopted at the activity (departmental) level.

During the year ended September 30, 2012, 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:			
General government	\$ 14,572,453	\$ 14,631,630	\$ 59,177
Public safety	11,041,420	11,169,012	127,592
Transfers out	9,431,934	9,841,211	409,277
Nonmajor governmental funds:			
Emergency Services:			
Capital outlay	50,000	269,922	219,922
Marine Safety:			
Public safety	139,727	141,324	1,597
Township Patrols:			
Public safety	209,934	215,329	5,395
Park Fund:			
Transfers out	24,302	26,207	1,905
Community Corrections:			
Public safety	319,227	333,663	14,436

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Final Budget	Actual	Actual Over Final Budget
Nonmajor governmental funds (continued):			
WIA Gold Standard Evaluation:			
Welfare	\$ -	\$ 170	\$ 170
JET SSI Pilot:			
Welfare	-	15,654	15,654
Muskegon Area Stormwater Committee:			
General government	46,500	48,915	2,415
EDC Loan Revolving:			
General government	-	5,483	5,483
Veteran's Trust:			
Welfare	13,717	28,561	14,844

3. DEFICIT FUND EQUITY

At September 30, 2012, the Brookhaven Medical Care Facility enterprise fund and the Equipment Revolving internal service fund reported unrestricted deficit balances of \$977,181 and \$800,482, respectively, although total net assets of the funds were \$2,153 and \$7,126,364, respectively, the calculation of which adds capital assets (net of debt) to the unrestricted net asset amounts. Unrestricted net assets for Brookhaven and the Equipment Revolving internal service fund decreased from the prior year by \$68,411 and \$2,800,315, respectively.

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of September 30, 2012:

	Primary Government	Component Units	Totals
Statement of Net Assets			
Cash and investments	\$ 66,426,515	\$ 2,378,641	\$ 68,805,156
Restricted assets	1,931,590	-	1,931,590
	<u>68,358,105</u>	<u>2,378,641</u>	<u>70,736,746</u>
Statement of Fiduciary Net Assets			
Agency funds:			
Cash and investments	5,984,056	-	5,984,056
Private purpose trust fund:			
Cash and investments	61,629	-	61,629
Other postemployment benefit trust fund:			
Cash and investments	891,775	-	891,775
Funds on deposit with MERS	40,149,448	-	40,149,448
	<u>47,086,908</u>	<u>-</u>	<u>47,086,908</u>
Total	<u>\$ 115,445,013</u>	<u>\$ 2,378,641</u>	<u>\$ 117,823,654</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Deposits and investments

Bank deposits:	
Checking and savings accounts	\$ 58,883,706
Certificates of deposit, due within one year	5,520,000
Total bank deposits	<u>64,403,706</u>
Investments:	
Funds on deposit with MERS	40,149,448
Money market accounts	1,931,590
Municipal securities	3,929,844
Government securities	7,000,000
Non-cash commodity	345,490
Total investments	<u>53,356,372</u>
Cash on hand	<u>63,576</u>
Total	<u><u>\$ 117,823,654</u></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, \$66,787,234 of the County's bank balance of \$68,252,228 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments. 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, 2012, none of the County's investments were exposed to custodial credit risk inasmuch as all investments are held in the name of the County.

To limit the risk on the sale of the commodities grown as part of the farm sales in the Wastewater enterprise fund, the County elects to hedge 50 percent of the crop production. The funds are held with a third-party and the value has been adjusted based on the market value of the commodity at year end.

Credit Risk. Statutes and various bond indentures authorize 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

Moody Aa2, S&P AA-	\$ 3,001,411
Moody AAA, S&P AA+	7,000,000
Moody AA3, S&P not rated	928,433
Unrated	<u>42,426,528</u>
Total	<u><u>\$ 53,356,372</u></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 5-10 years	\$ 9,429,844
Due in 11-15 years	1,500,000
No maturity	<u>42,426,528</u>
Total	<u><u>\$ 53,356,372</u></u>

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.

5. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 3,127,181	\$ 4,073,617	\$ 754,913
Less: allowance for uncollectibles	(70,613)	(695,439)	-
Due from other governments	5,367,321	2,431,440	3,032,529
Accrued interest	126,220	107,152	425
Taxes (current)	5,831,863	7,176,432	4,810
Taxes (delinquent)	-	6,440,272	-
Long-term notes	1,125,000	1,240,183	-
Leases	-	29,356,199	-
Special assessments	-	1,328,389	87,148
Other	-	-	354,253
	<u>\$ 15,506,972</u>	<u>\$ 51,458,245</u>	<u>\$ 4,234,078</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Of the amounts reported for receivables above, long-term notes receivables in the amount of \$2,292,919, special assessments receivable in the amount of \$1,110,639 and leases receivable in the amount of \$27,844,540 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 note.

The County also has a long-term note receivable from the Erdman Holding, LLC (a Michigan limited liability company) dated February 22, 2010 (issued in the face amount of \$1,275,000, interest free until March 1, 2015, with interest of 6% per annum thereafter), which is held by the Wastewater enterprise fund.

6. PAYABLES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 7,906,290	\$ 1,209,443	\$ 456,684
Due to other governments	6,056,883	861,805	-
	<u>\$ 13,963,173</u>	<u>\$ 2,071,248</u>	<u>\$ 456,684</u>

7. OTHER ASSETS

Other assets are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Prepays	\$ 348,620	\$ 18,635	\$ 532,831
Inventory	18,258	200,370	2,063,815
Deposits held with others	162,643	-	-
Deferred issuance cost	38,766	198,612	-
Assets held for resale	-	-	110,308
	<u>\$ 568,287</u>	<u>\$ 417,617</u>	<u>\$ 2,706,954</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2012, was as follows:

Due to and from primary government funds

	Due from Other Funds	Due to Other Funds
Community Mental Health	\$ 129,516	\$ -
Internal service funds	-	129,516
	<u>\$ 129,516</u>	<u>\$ 129,516</u>

Advances to and from primary government funds

	Advances to Other Funds	Advances from Other Funds
General fund	\$ 2,692,082	\$ -
Internal service funds	750,584	567,118
Airport	-	750,584
Brookhaven Medical Care Facility	-	2,124,964
	<u>\$ 3,442,666</u>	<u>\$ 3,442,666</u>

Advances to and from component units

	Advances to Component Units	Advances from Primary Government
General fund	\$ 21,500	\$ -
Nonmajor enterprise funds	250,000	-
Muskegon County Land Bank	-	250,000
Drainage Districts	-	21,500
	<u>\$ 271,500</u>	<u>\$ 271,500</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, 2012, interfund transfers consisted of the following:

Transfers out	Transfers in							Totals
	General fund	Community Mental Health	Nonmajor governmental funds	Airport	Brookhaven Medical Care Facility	Nonmajor enterprise funds	Internal service funds	
General fund	\$ -	\$ 674,119	\$ 6,639,698	\$ 765,310	\$ 1,762,084	\$ -	\$ -	\$ 9,841,211
Nonmajor governmental funds	20,000	-	1,656,033	-	-	50,241	-	1,726,274
Nonmajor enterprise funds	4,005,483	-	96,640	-	-	-	250,000	4,352,123
	<u>\$ 4,025,483</u>	<u>\$ 674,119</u>	<u>\$ 8,392,371</u>	<u>\$ 765,310</u>	<u>\$ 1,762,084</u>	<u>\$ 50,241</u>	<u>\$ 250,000</u>	<u>\$15,919,608</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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

9. CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2012 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Government Activities					
Capital assets, not being depreciated:					
Land	\$ 4,448,610	\$ -	\$ (169,384)	\$ -	\$ 4,279,226
Construction-in-progress	2,077,892	7,393,493	-	(42,493)	9,428,892
	<u>6,526,502</u>	<u>7,393,493</u>	<u>(169,384)</u>	<u>(42,493)</u>	<u>13,708,118</u>
Capital assets being depreciated:					
Land improvements	5,049,715	8,900	-	676,091	5,734,706
Buildings and improvements	76,163,342	469,030	(827,416)	1,900,447	77,705,403
Machinery and equipment	18,055,064	364,083	(456,693)	92,040	18,054,494
	<u>99,268,121</u>	<u>842,013</u>	<u>(1,284,109)</u>	<u>2,668,578</u>	<u>101,494,603</u>
Less accumulated depreciation for:					
Land improvements	(2,260,843)	(197,979)	-	(331,416)	(2,790,238)
Building and improvements	(23,400,512)	(2,085,820)	676,173	(1,023,781)	(25,833,940)
Machinery and equipment	(13,919,624)	(824,936)	450,491	(92,040)	(14,386,109)
	<u>(39,580,979)</u>	<u>(3,108,735)</u>	<u>1,126,664</u>	<u>(1,447,237)</u>	<u>(43,010,287)</u>
Total capital assets being depreciated, net	<u>59,687,142</u>	<u>(2,266,722)</u>	<u>(157,445)</u>	<u>1,221,341</u>	<u>58,484,316</u>
Governmental activities-capital assets, net	<u>\$ 66,213,644</u>	<u>\$ 5,126,771</u>	<u>\$ (326,829)</u>	<u>\$ 1,178,848</u>	<u>\$ 72,192,434</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 19,841,075	\$ 9,000	\$ -	\$ -	\$ 19,850,075
Construction-in-progress	1,248,395	53,251	-	(1,175,475)	126,171
	<u>21,089,470</u>	<u>62,251</u>	<u>-</u>	<u>(1,175,475)</u>	<u>19,976,246</u>
Capital assets being depreciated:					
Land improvements	31,114,155	786,638	(439,398)	(475,495)	30,985,900
Buildings and improvements	32,084,139	13,886	(20,876)	(1,857,953)	30,219,196
Machinery and equipment	29,344,265	3,497,113	(1,203,394)	882,839	32,520,823
Lagoons	9,517,671	-	-	-	9,517,671
W/W collection and distribution	167,175,092	-	(2,065,096)	-	165,109,996
Capitalized interest and engineering	9,080,680	-	(3,297)	-	9,077,383
	<u>278,316,002</u>	<u>4,297,637</u>	<u>(3,732,061)</u>	<u>(1,450,609)</u>	<u>277,430,969</u>
Less accumulated depreciation for:					
Land improvements	(15,955,189)	(781,650)	439,398	331,415	(15,966,026)
Building and improvements	(17,882,679)	(910,816)	65,551	1,023,781	(17,704,163)
Machinery and equipment	(13,951,268)	(1,654,109)	1,169,336	92,040	(14,344,001)
Lagoons	(4,050,345)	(312,158)	-	-	(4,362,503)
W/W collection and distribution	(52,487,727)	(4,597,173)	1,996,819	-	(55,088,081)
Capitalized interest and engineering	(5,667,342)	(310,075)	3,052	-	(5,974,365)
	<u>(109,994,550)</u>	<u>(8,565,981)</u>	<u>3,674,156</u>	<u>1,447,236</u>	<u>(113,439,139)</u>
Total capital assets being depreciated, net	<u>168,321,452</u>	<u>(4,268,344)</u>	<u>(57,905)</u>	<u>(3,373)</u>	<u>163,991,830</u>
Business-type activities capital assets, net	<u>\$ 189,410,922</u>	<u>\$ (4,206,093)</u>	<u>\$ (57,905)</u>	<u>\$ (1,178,848)</u>	<u>\$ 183,968,076</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

At September 30, 2012, the County's governmental and business-type activities had outstanding commitments through construction contracts of approximately \$358,000 and \$609,000, respectively.

During 2012, the County closed the Fairgrounds Operation enterprise fund and transferred the assets to the General fund. As a result, net capital assets of \$1,178,848 were transferred from business-type activities to governmental activities.

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

Depreciation of governmental activities by function

General government	\$ 1,132,690
Judicial	11,468
Public safety	358,387
Health	323,826
Welfare	4,543
Recreation	194,703
Internal service fund	<u>1,083,118</u>

Total depreciation expense - governmental activities	<u><u>\$ 3,108,735</u></u>
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Depreciation of business-type activities by function

Airport	\$ 1,067,825
Regional water	411,710
Wastewater	5,653,217
Brookhaven Medical Care Facility	132,288
Other enterprise funds	<u>1,300,941</u>

Total depreciation expense - business type activities	<u><u>\$ 8,565,981</u></u>
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Discretely presented component units

	Beginning Balance	Increases	Decreases	Transfers	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	<u>(622,997)</u>	<u>(82,162)</u>	<u>-</u>	<u>-</u>	<u>(705,159)</u>
Drainage Districts capital assets, net	<u><u>\$ 3,485,112</u></u>	<u><u>\$ (82,162)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,402,950</u></u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

10. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended September 30, 2012:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 23,560,000	\$ -	\$ (1,635,000)	\$ 21,925,000	\$ 1,865,000
Land contract note payable	95,000	-	(25,000)	70,000	25,000
Installment purchase agreement	-	2,711,792	(677,855)	2,033,937	665,325
Total installment debt	23,655,000	2,711,792	(2,337,855)	24,028,937	2,555,325
Deferred loss on refunding	(184,200)	-	18,420	(165,780)	(18,420)
Compensated absences	6,894,782	3,002,069	(2,964,756)	6,932,095	2,980,801
Total governmental activities	\$ 30,365,582	\$ 5,713,861	\$ (5,284,191)	\$ 30,795,252	\$ 5,517,706
Business-type activities					
General obligation bonds	\$ 30,035,000	\$ -	\$ (1,070,000)	\$ 28,965,000	\$ 1,120,000
Revenue bonds	87,055,152	889,213	(5,226,000)	82,718,365	4,400,000
Notes payable	15,500,000	12,000,000	(11,500,000)	16,000,000	12,000,000
Total installment debt	132,590,152	12,889,213	(17,796,000)	127,683,365	17,520,000
Premium on bonds payable	485,926	41,680	(32,395)	495,211	69,688
Closure and sludge cost	12,590,843	684,632	-	13,275,475	246,310
Compensated absences	1,728,736	657,542	(743,356)	1,642,922	706,456
Total business-type activities	\$ 147,395,657	\$ 14,273,067	\$ (18,571,751)	\$ 143,096,973	\$ 18,542,454

Governmental Activities

\$7,725,000 2009 Building Authority Bonds, Quality of Life Project, due in annual installments of \$1,080,000 to \$1,220,000 plus interest ranging from 2.50% to 3.50%, payable semi-annually, through September 1, 2016.

\$ 4,655,000

\$6,150,000 2008 Building Authority Bonds, Mental Health Building, due in annual installments of \$160,000 to \$430,000 plus interest ranging from 5.25% to 6.25%, payable semi-annually, through November 1, 2033.

5,840,000

\$4,685,000 2010 Building Authority Refunding Bonds, Hall of Justice Bonds, due in annual installments of \$110,000 to \$530,000 plus interest at 2.81%, payable semi-annually, through May 1, 2022.

4,575,000

\$7,140,000 2010 Capital Improvement Bonds, due in annual installments of \$200,000 to \$600,000 plus interest at 6.97%, payable semi-annually, through November 1, 2030.

6,855,000

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Governmental Activities (Continued)

\$95,000 land contract promissory note, due in annual installments of \$20,000 to \$25,000, non-interest bearing, through November 1, 2014.	\$ 70,000
\$2,711,792 installment purchase agreement, due in annual installments of \$665,325 to \$690,712 plus interest at 1.89% through July 13, 2015.	<u>2,033,937</u>
Total governmental activities	<u>\$ 24,028,937</u>

Business-type Activities

\$4,315,000 Muskegon County Water Supply System - No. 1 Series II (Fruitport - Norton Shores) Refunding Bonds, Series 2010 (Refunding of Muskegon County Water Supply System No. 1, Series II Bonds, Series 2000), due in annual installments of \$385,000 to \$520,000 plus interest ranging from 2.00% to 3.00%, payable semi-annually, through October 1, 2019.	\$ 3,605,000
\$6,000,000 Muskegon County Wastewater Management System (Laketon Twp Section) Bonds, Series 2008 (General Obligation Limited Tax), due in installments of \$215,000 to \$450,000 plus interest ranging from 4.00% to 4.625%, payable semi-annually, through May 1, 2028.	5,200,000
\$20,580,000 Muskegon County Wastewater Management System (Muskegon, Egelston & Dalton Township Section) Bonds, Series 2006 (General Obligation Limited Tax), due in annual installments of \$410,000 to \$1,305,000 plus interest ranging from 4.25% to 5.00%, payable semi-annually, through November 1, 2036.	19,395,000
\$995,000 Muskegon County Water Supply System (Whitehall Township Section) Bonds, Series 2006 (General Obligation Limited Tax), due in installments of \$60,000 to \$85,000 plus interest ranging from 4.00% to 4.30%, payable semi-annually, through November 1, 2021.	765,000
\$7,900,000 2006 Muskegon County Water Supply System Revenue Bond, due in annual installments of \$145,000 to \$485,000 plus interest ranging from 4.375% to 5.125%, payable semi-annually, through November 1, 2036.	7,230,000
\$9,125,000 2008 Muskegon County Water Supply System Revenue Bond, due in annual installments of \$330,000 to \$645,000 plus interest ranging from 3.25% to 4.625%, payable semi-annually, through November 1, 2036.	7,965,000
\$12,380,000 2011 Wastewater Revenue Refunding Bond, payable to MMBA in annual installments of \$775,000 to \$900,000 plus interest ranging from 2.00% to 5.00%, payable semi-annually, through July 1, 2026.	11,500,000

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Business-type Activities (Continued)

\$17,440,604 2005 Wastewater Revenue Bond, payable to MMBA in annual installments of \$790,000 to \$991,560 plus interest at 1.625%, payable semi-annually, through April 1, 2027.	\$ 13,551,560
\$14,000,000 2006 Wastewater Revenue Bond, payable to MMBA in annual installments of \$625,000 to \$815,000 plus interest at 1.625%, payable semi-annually, through April 1, 2028.	11,560,000
\$1,800,000 2007 Wastewater Revenue Bond, payable to MMBA in annual installments of \$80,000 to \$105,000 plus interest at 1.625%, payable semi-annually, through October 1, 2026.	1,405,000
\$843,413 2008 Wastewater Revenue Bond, payable to MMBA in annual installments of \$40,000 to \$58,316 plus interest at 2.50%, payable semi-annually, through April 1, 2028.	743,316
\$15,154,830 2008 Wastewater Revenue Bond, payable to MMBA in annual installments of \$620,000 to \$939,830 plus interest at 2.50%, payable semi-annually, through April 1, 2029.	13,209,830
\$17,480,000 2008 Wastewater Revenue Bond, payable to MMBA in annual installments of \$680,000 to \$1,095,000 plus interest at 2.50%, payable semi-annually, through April 1, 2029.	14,037,676
\$1,664,983 2010 Wastewater Revenue Bond, payable to MMBA in annual installments of \$70,000 to \$105,983 plus interest at 2.50%, payable semi-annually, through April 1, 2030.	1,515,983
\$12,000,000 2010 General Obligation Tax Note, due in installments of \$4,000,000 plus interest ranging from 1.00% to 1.25%, payable semi-annually, through December 1, 2012.	4,000,000
\$12,000,000 2011 General Obligation Tax Note, due in installments of \$4,000,000 plus interest at 1.00%, payable semi-annually, through December 1, 2013.	<u>12,000,000</u>
Total business-type activities	<u><u>\$ 127,683,365</u></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
2013	\$ 2,555,325	\$ 1,133,891	\$ 17,520,000	\$ 3,657,889
2014	2,622,900	1,054,455	9,605,000	3,401,492
2015	2,690,712	972,925	5,715,000	3,228,396
2016	2,040,000	883,258	5,830,000	3,071,462
2017	925,000	801,470	5,975,000	2,901,674
2018-2022	5,145,000	3,326,315	31,020,000	11,877,089
2023-2027	3,565,000	2,127,065	32,006,560	7,063,095
2028-2032	4,055,000	811,177	11,911,805	2,945,748
2033-2037	430,000	26,875	8,100,000	1,048,771
	<u>\$ 24,028,937</u>	<u>\$ 11,137,431</u>	<u>\$ 127,683,365</u>	<u>\$ 39,195,616</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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

11. 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 Insurance internal service fund. 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%.

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
2011	\$ 5,000,686	\$ 21,153,670	(21,625,878)	\$ 4,528,478
2012	4,528,478	19,623,026	(20,323,731)	3,827,773

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

12. 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.

13. 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 0-8.75% 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 32.49%. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners.

For the year ended September 30, 2012, the County's actual and required contribution for MERS was \$5,478,669. The required contribution was determined as part of the December 31, 2009 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, 2011, the date of the latest actuarial valuation, was 27 years.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Three-Year Trend Information			
Years Ended September 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2010	\$ 4,957,129	100%	\$ -
2011	5,254,385	100%	-
2012	5,478,669	100%	-

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Plan was 77.3 percent funded. The actuarial accrued liability for benefits was \$227,877,567, and the actuarial value of assets was \$176,176,793, resulting in an unfunded actuarial accrued liability (UAAL) of \$51,700,774. The covered payroll (annual payroll of active employees covered by the Plan) was \$42,218,100, and the ratio of the UAAL to the covered payroll was 122.5 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.

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 County's contribution over a six year period. The plan provisions and contribution amounts were established by the County Board and may be amended by the County Board. The plan is administered by MERS. The County and member contributions were \$180,982 each for the current year.

14. 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).

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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	\$ 5,790,313
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Net OPEB cost (expense)	5,790,313
Contributions made	(4,611,613)
	<hr/>
Increase in net OPEB obligation	1,178,700
Net OPEB obligation, beginning of year	-
	<hr/>
Net OPEB obligation, end of year	<u>\$ 1,178,700</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2012 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
2010	\$ 6,052,590	100%	\$ -
2011	6,654,542	100%	-
2012	5,790,313	80%	1,178,700

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Plan was 43.6% funded. The actuarial accrued liability for benefits was \$82,910,467, and the actuarial value of assets was \$36,117,103, resulting in an unfunded actuarial accrued liability (UAAL) of \$46,793,364. The covered payroll (annual payroll of active employees covered by the Plan) was \$36,614,864, and the ratio of the UAAL to the covered payroll was 127.8 percent.

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, 2011 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% attributable to inflation; c) additional projected salary increases ranging from 4.8%-12.9% per year, depending on age, attributable to seniority/merit; and d) projected healthcare benefit increases of 3.5% to 9.0%. 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 dollar over the next 26 years for closed groups and as level percent of payroll over the next 26 years for open groups.

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 County Board and may be amended by the County Board. The plan is administered by MERS. The County contributions were \$193,168 for the year ended September 30, 2012.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

15. 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 \$11.1 million reported as landfill closure and post-closure care liability at September 30, 2012 represents the cumulative amount reported to date based on the use of 60 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 10 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$14.0 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2012. 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 \$1,931,590 held in trust as of September 30, 2012. The County expects that future inflation costs will be paid from interest earnings in the Solid Waste Funds. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by the trust fund set up for this purpose.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

16. FUND BALANCES - GOVERNMENTAL FUNDS

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the County classifies fund balances based primarily on the extent to which it 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:

	General Fund	Community Mental Health	Nonmajor Funds	Total
Nonspendable:				
Inventory	\$ -	\$ -	\$ 18,258	\$ 18,258
Prepays	-	149,126	-	149,126
Long-term advances and notes receivable	2,738,081	-	925,000	3,663,081
Permanent fund corpus	-	-	41,596	41,596
Total nonspendable	2,738,081	149,126	984,854	3,872,061
Restricted for:				
Training	29,540	-	-	29,540
Heritage Landing Improvements	84,672	-	-	84,672
Community Mental Health	-	919,004	-	919,004
Health Department	-	-	512,647	512,647
Accommodation Tax	-	-	456,016	456,016
Grant programs	-	-	27,934	27,934
Deed Automation Fund	-	-	1,105,936	1,105,936
Stormwater Committee	-	-	33,909	33,909
EDC Loan Revolving	-	-	134,940	134,940
Veterans' Trust	-	-	18	18
Mental Health Buildings	-	-	50,303	50,303
Victim Restitution	-	-	41,696	41,696
Debt repayment	-	-	599,889	599,889
Unspent bond proceeds	-	-	69,761	69,761
Capital projects	-	-	53,165	53,165
Total restricted	114,212	919,004	3,086,214	4,119,430
Committed for:				
Sobriety Court	-	-	31,177	31,177
Parks	-	-	248,906	248,906
Strategic Planning	-	-	23	23
Grant programs	-	-	18,230	18,230
Capital projects	-	-	36,568	36,568
Total committed	-	-	334,904	334,904

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	General Fund	Community Mental Health	Nonmajor Funds	Total
Assigned for:				
Family court	\$ 40,205	\$ -	\$ -	\$ 40,205
Sobriety Court	-	-	87,994	87,994
Emergency Services	-	-	26,465	26,465
Marine Safety	-	-	17,723	17,723
Health Department	-	-	207,657	207,657
Crime Victims' Rights	-	-	1,058	1,058
Social Welfare	-	-	20,000	20,000
Debt repayment	-	-	93,720	93,720
Capital projects	-	-	1,056,973	1,056,973
Total assigned	<u>40,205</u>	<u>-</u>	<u>1,511,590</u>	<u>1,551,795</u>
Unassigned	<u>7,839,090</u>	<u>-</u>	<u>-</u>	<u>7,839,090</u>
Total fund balances, government funds	<u>\$ 10,731,588</u>	<u>\$ 1,068,130</u>	<u>\$ 5,917,562</u>	<u>\$ 17,717,280</u>

17. NET ASSETS 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, 2012, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 13,708,118	\$ 19,976,246	\$ 24,539,094
Capital assets being depreciated, net	<u>58,484,316</u>	<u>163,991,830</u>	<u>44,957,885</u>
	<u>72,192,434</u>	<u>183,968,076</u>	<u>69,496,979</u>
Related debt:			
Total installment debt	24,028,937	127,683,365	419,346
Net bond premium	-	495,211	-
Deferred loss on advance refunding	(165,780)	-	-
Unexpended bond proceeds	(69,761)	-	-
General obligation tax notes	-	(16,000,000)	-
Bond premium on tax notes	-	(41,680)	-
Bonds payable related to capital leases	-	(28,965,000)	-
	<u>23,793,396</u>	<u>83,171,896</u>	<u>419,346</u>
Invested in capital assets, net of related debt	<u>\$ 48,399,038</u>	<u>\$ 100,796,180</u>	<u>\$ 69,077,633</u>

18. RESTATEMENTS

Beginning net assets of the Wastewater enterprise fund and business-type activities increased by \$1,172,556 as a result of recording a note receivable from Erdman Holding, LLC for the sale of capital assets in a prior year.



REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information Employees' Retirement Plan

Schedule of Funding Progress						
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)
12/31/2006	\$ 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%
12/31/2011	176,176,793	227,877,567	51,700,774	77.3%	42,218,100	122.5%

Schedule of Employer Contributions		
Year Ended September 30,	Annual Required Contributions	Percentage Contributed
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%
2012	5,478,669	100%

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information Other Postemployment Benefit Plan

Schedule of Funding Progress						
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%
12/31/2011	36,117,103	82,910,467	46,793,364	43.6%	36,614,864	127.8%

Schedule of Employer Contributions		
Year Ended September 30,	Annual Required Contributions	Percentage Contributed
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%
2012	5,790,313	80%

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**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS AND SCHEDULES**

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department

Budget and Actual

General Fund

For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
General government:				
Coop Reimbursement-State Share	\$ 2,777,675	\$ 2,686,694	\$ 2,926,220	\$ 239,526
Friend of the Court	221,290	329,624	506,045	176,421
FOC Act 143 State	13,425	3,605	1,758	(1,847)
Title IV-D Medical Support	111,097	108,899	103,373	(5,526)
Family Counseling	55,867	53,075	44,594	(8,481)
Administration	891,880	871,232	811,641	(59,591)
Elections	212,784	212,620	192,751	(19,869)
Accounting	639,543	657,079	635,223	(21,856)
Corporate Counsel	136,400	115,600	112,352	(3,248)
County Clerk	425,845	402,976	397,009	(5,967)
Circuit Court Records	507,902	470,830	457,077	(13,753)
Juror Showcase	13,000	13,000	5,484	(7,516)
Equalization	1,553,401	1,552,393	1,528,845	(23,548)
Human Resources	277,124	288,994	262,405	(26,589)
City of Muskegon	102,372	94,476	93,056	(1,420)
Prosecutor	2,101,010	2,075,518	2,042,713	(32,805)
Purchasing	199,030	189,273	196,325	7,052
Register of Deeds	578,046	573,243	558,662	(14,581)
Johnny O. Harris Building	3,470	3,630	8,399	4,769
Training Center	87,511	103,193	107,484	4,291
Health Building	-	-	4,327	4,327
Kenneth L. Brinks Building	-	-	3,129	3,129
Veterans Center	-	-	526	526
Stark Hall	11,556	12,569	12,317	(252)
Treasurer	468,562	455,723	463,741	8,018
Shady Grove Cemetery	1,741	4,357	3,719	(638)
Cordova Site O&M	2,814	1,284	1,228	(56)
Courthouse and Grounds	1,015,630	1,129,651	1,135,792	6,141
Oak Ave. Building	118,798	176,181	177,714	1,533
County Jail Building	414,295	436,553	446,254	9,701
Heritage Landing O&M	93,713	87,546	83,274	(4,272)
Drain Commissioner	265,291	251,141	245,085	(6,056)
Plat Board	700	700	-	(700)
Vehicle Pool	16,000	15,000	14,407	(593)
State Institutions	157,357	130,000	118,916	(11,084)

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department

Budget and Actual

General Fund

For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
General government (continued):				
Information Systems	\$ 817,068	\$ 845,838	\$ 713,591	\$ (132,247)
Prosecutor Family Court	213,450	219,956	216,194	(3,762)
Total general government	14,505,647	14,572,453	14,631,630	59,177
Legislative:				
Board of Commissioners	445,848	457,470	421,633	(35,837)
Judicial:				
Circuit Court	1,282,216	1,420,926	1,331,969	(88,957)
Circuit Court Collections	57,178	68,104	64,669	(3,435)
District Court	3,361,916	3,229,244	3,231,427	2,183
Probation Cobo Hall Tax	178,062	169,941	164,065	(5,876)
District Court Collections	177,531	182,427	182,250	(177)
Law Library	20,253	33,125	28,788	(4,337)
Jury Commission	31,125	29,185	32,846	3,661
Probate Court	755,445	775,233	777,098	1,865
Juvenile Court	1,097,041	730,011	125,027	(604,984)
State Probation	59,394	64,532	58,977	(5,555)
Public Defender	1,104,503	1,104,453	1,097,831	(6,622)
Total judicial	8,124,664	7,807,181	7,094,947	(712,234)
Public safety:				
Facility Security Services	92,083	96,865	94,724	(2,141)
Sheriff Operations	3,431,999	3,571,374	3,595,455	24,081
Sheriff Administration	401,513	399,089	432,677	33,588
Officer Training Act 302	12,000	25,000	23,876	(1,124)
Correction Officer Training	60,000	74,118	63,382	(10,736)
Sheriff Jail	5,721,462	5,699,501	5,835,497	135,996
Courtroom Security	1,052,252	1,175,473	1,120,990	(54,483)
Vector Control	-	-	2,411	2,411
Total public safety	10,771,309	11,041,420	11,169,012	127,592
Culture:				
MSU Extension	177,559	176,497	174,598	(1,899)

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department
 Budget and Actual
 General Fund
 For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Other function:				
Designated & Pass-thru Revenues	\$ 1,415,199	\$ 1,555,532	\$ 1,224,573	\$ (330,959)
Misc Contingency	854,670	1,084,523	1,186,813	102,290
Total other function	<u>2,269,869</u>	<u>2,640,055</u>	<u>2,411,386</u>	<u>(228,669)</u>
Total expenditures	<u>\$ 36,294,896</u>	<u>\$ 36,695,076</u>	<u>\$ 35,903,206</u>	<u>\$ (791,870)</u>

concluded

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.

Enhance 911 GIS (1211)--to account for funds granted by the State of Michigan to assist in building the Muskegon County portion of a statewide Geographic Information Systems (GIS) database to be used in mapping the physical location of wireless 9-1-1 emergency calls and determine call routing in the Next Generation 9-1-1 (NG9-1-1) environment.

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.

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

Lead Hazard Grant (2212)--to account for program providing services to low-income families who occupy pre-1978 homes throughout Muskegon County. This grant program provides paint inspection and risk assessment, as well as lead hazard control remediation work where necessary. Education and outreach programs with regard to lead poisoning and health housing are also offered.

Sustainability Grant (2261)--to account for Michigan Community Pollution Prevention Grant funds awarded by the Michigan Department of Environmental Quality (MDEQ). This grant program helps local governments to implement community sustainability planning and the development of local models and approaches that address local sustainability issues, emissions, and energy challenges.

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.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

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.

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.

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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

Strategic Planning (2765)--to account for State funds granted to the County from the State of Michigan for the development of an integrated strategic plan that addresses the successful achievements of multiple goals of Muskegon County.

WIA Youth Statewide (2766)--to account for State funds to supplement WIA Youth Program activities.

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

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 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 Gold Standard Evaluation (2788)--to account for funds that provide resources for carrying out the WIA Gold Standards Evaluation for MDRC.

Reemployment Services EUC (2789)--to account for Federal pass-through funds that provide Emergency Unemployment Compensation (EC) services to claimants who receive Tier 1 and Tier 2 EUC benefits.

United Way Summer Youth (2790)--to account for funds received through the United Way of the Lakeshore to be used to fund work experience for area youth.

JET SSI Pilot (2791)--to account for State pass-through funds to improve outcomes for individuals with disabilities by employing a multi-dimensional approach including better, supportive case management, motivational training, and high quality vocational rehabilitation services.

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.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

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.

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.

C.E.D.C. (2960)--to account for monies received from the County General Fund for the primary purpose of encouraging business expansion in the County.

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.

Heritage Landing Development (4180)--to account for revenue and expenditures associated with the addition and improvement of Heritage Landing.

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.

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COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2012

	Special Revenue Funds						
	Cooperative Reimbursement Prosecutor (1150)	Sobriety Court (1170)	Emergency Services (1190)	Marine Safety (1200)	Highway Safety Programs (1210)	Enhance 911 GIS (1211)	Township Patrols (1240)
Assets							
Cash and investments	\$ -	\$ 40,081	\$ 24,352	\$ -	\$ -	\$ 111	\$ 4,004
Receivables, net:							
Accounts	-	-	4,821	-	-	-	-
Due from other governments	41,629	87,534	-	89,075	62,618	-	-
Accrued interest	-	-	-	-	-	-	-
Long-term notes	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	\$ 41,629	\$ 127,615	\$ 29,173	\$ 89,075	\$ 62,618	\$ 111	\$ 4,004
Liabilities							
Negative equity in pooled cash	\$ 36,515	\$ -	\$ -	\$ 66,701	\$ 45,230	\$ -	\$ -
Payables:							
Accounts payable	322	5,727	1,502	1,406	12,810	-	-
Due to other governments	-	-	-	-	-	111	-
Accrued liabilities	4,792	2,717	1,206	3,245	4,578	-	4,004
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	41,629	8,444	2,708	71,352	62,618	111	4,004
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	31,177	-	-	-	-	-
Assigned	-	87,994	26,465	17,723	-	-	-
Total fund balances	-	119,171	26,465	17,723	-	-	-
Total liabilities and fund balances	\$ 41,629	\$ 127,615	\$ 29,173	\$ 89,075	\$ 62,618	\$ 111	\$ 4,004

Special Revenue Funds								
Park Fund (2080)	Safe Schools/ Healthy Students (2152)	Health Department (2210)	Lead Hazard Grant (2212)	Sustainability Grant (2212)	Accommodations Tax (2300)	CDBG Housing Grant (2470)	Neighborhood Stabilization Grant (2471)	Deed Automation Fund (2560)
\$ 266,714	\$ 16,066	\$ 818,998	\$ -	\$ -	\$ 367,424	\$ 1,354	\$ -	\$ 1,105,519
377	-	152,099	-	1,442	95,543	-	-	-
-	-	107,091	35,552	13,359	-	3,428	414,865	-
326	-	215	-	-	309	-	-	1,107
-	-	-	-	-	-	-	-	-
-	-	18,258	-	-	-	-	-	-
<u>\$ 267,417</u>	<u>\$ 16,066</u>	<u>\$ 1,096,661</u>	<u>\$ 35,552</u>	<u>\$ 14,801</u>	<u>\$ 463,276</u>	<u>\$ 4,782</u>	<u>\$ 414,865</u>	<u>\$ 1,106,626</u>
\$ -	\$ -	\$ -	32,076	\$ 13,359	\$ -	\$ -	\$ 414,117	\$ -
10,111	-	114,274	868	1,442	3,737	718	748	690
-	16,066	83,130	-	-	-	-	-	-
8,400	-	160,195	2,608	-	3,523	-	-	-
-	-	500	-	-	-	-	-	-
<u>18,511</u>	<u>16,066</u>	<u>358,099</u>	<u>35,552</u>	<u>14,801</u>	<u>7,260</u>	<u>718</u>	<u>414,865</u>	<u>690</u>
-	-	18,258	-	-	-	-	-	-
-	-	512,647	-	-	456,016	4,064	-	1,105,936
248,906	-	-	-	-	-	-	-	-
-	-	207,657	-	-	-	-	-	-
<u>248,906</u>	<u>-</u>	<u>738,562</u>	<u>-</u>	<u>-</u>	<u>456,016</u>	<u>4,064</u>	<u>-</u>	<u>1,105,936</u>
<u>\$ 267,417</u>	<u>\$ 16,066</u>	<u>\$ 1,096,661</u>	<u>\$ 35,552</u>	<u>\$ 14,801</u>	<u>\$ 463,276</u>	<u>\$ 4,782</u>	<u>\$ 414,865</u>	<u>\$ 1,106,626</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2012

	Special Revenue Funds						
	Community Corrections (2640)	TNT Drug (2671)	Prosecutor Drug (2672)	JAG - ARRA (2675)	Comm. Capacity Building - ARRA (2676)	Wagner Peyser (2731)	Trade Adjustment Assistance (2733)
Assets							
Cash and investments	\$ -	\$ 16,887	\$ 3,434	\$ -	\$ -	\$ -	\$ -
Receivables, net:							
Accounts	-	-	-	-	-	-	-
Due from other governments	36,875	-	-	43,856	-	46,531	249,161
Accrued interest	-	-	-	-	-	-	-
Long-term notes	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	\$ 36,875	\$ 16,887	\$ 3,434	\$ 43,856	\$ -	\$ 46,531	\$ 249,161
Liabilities							
Negative equity in pooled cash	\$ 27,531	\$ -	\$ -	\$ 26,968	\$ -	\$ 10,175	\$ 116,106
Payables:							
Accounts payable	3,476	-	-	16,888	-	35,730	132,726
Due to other governments	270	-	-	-	-	-	-
Accrued liabilities	5,598	-	-	-	-	626	329
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	36,875	-	-	43,856	-	46,531	249,161
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	16,887	3,434	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Total fund balances	-	16,887	3,434	-	-	-	-
Total liabilities and fund balances	\$ 36,875	\$ 16,887	\$ 3,434	\$ 43,856	\$ -	\$ 46,531	\$ 249,161

Special Revenue Funds								
DET Cost Pool (2739)	Jobs Education & Training (2751)	Food Stamp Program (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Worker Program (2763)	Strategic Planning (2765)	WIA Youth Statewide (2766)
\$ 271,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ -
-	-	-	-	-	-	-	-	-
-	869,218	27,632	36,027	87,733	175,584	175,632	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 271,551</u>	<u>\$ 869,218</u>	<u>\$ 27,632</u>	<u>\$ 36,027</u>	<u>\$ 87,733</u>	<u>\$ 175,584</u>	<u>\$ 175,632</u>	<u>\$ 23</u>	<u>\$ -</u>
\$ -	\$ 348,895	\$ 20,137	\$ 26,755	\$ 28,969	\$ 93,907	\$ 68,615	\$ -	\$ -
6,730	509,326	7,495	7,506	58,104	81,199	106,327	-	-
257,657	-	-	-	-	-	-	-	-
7,164	10,997	-	1,766	660	478	690	-	-
-	-	-	-	-	-	-	-	-
<u>271,551</u>	<u>869,218</u>	<u>27,632</u>	<u>36,027</u>	<u>87,733</u>	<u>175,584</u>	<u>175,632</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	23	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	23	-
<u>\$ 271,551</u>	<u>\$ 869,218</u>	<u>\$ 27,632</u>	<u>\$ 36,027</u>	<u>\$ 87,733</u>	<u>\$ 175,584</u>	<u>\$ 175,632</u>	<u>\$ 23</u>	<u>\$ -</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2012

	Special Revenue Funds						
	WIA Service Center Operations (2767)	WIA SWA TANF Replace- ment (2770)	WIA SWA ARRA (2771)	WIA ARRA NEG (2775)	WIA Gold Standard Evaluation (2788)	Reemploy- ment Services EUC (2789)	United Way Summer Youth (2790)
Assets							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 18,230	\$ -	\$ 10,692
Receivables, net:							
Accounts	-	-	-	-	-	-	-
Due from other governments	3,372	15,049	-	-	-	43,027	-
Accrued interest	-	-	-	-	-	-	-
Long-term notes	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	\$ 3,372	\$ 15,049	\$ -	\$ -	\$ 18,230	\$ 43,027	\$ 10,692
Liabilities							
Negative equity in pooled cash	\$ 3,372	\$ 15,049	\$ -	\$ -	\$ -	\$ 25,689	\$ -
Payables:							
Accounts payable	-	-	-	-	-	17,338	10,692
Due to other governments	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	3,372	15,049	-	-	-	43,027	10,692
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	18,230	-	-
Assigned	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	18,230	-	-
Total liabilities and fund balances	\$ 3,372	\$ 15,049	\$ -	\$ -	\$ 18,230	\$ 43,027	\$ 10,692

Special Revenue Funds

JET SSI Pilot (2791)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Community Gun Violence (2832)	EDC Loan Revolving (2860)	Rambusch - Ruchs CDBG Grant (2873)	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)
\$ -	\$ -	\$ 33,909	\$ -	\$ 74,029	\$ 3,549	\$ 733	\$ 109,650	\$ -
-	-	-	-	60,836	-	-	-	-
15,654	58,124	-	-	-	-	-	50,530	594,381
-	-	-	-	75	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 15,654</u>	<u>\$ 58,124</u>	<u>\$ 33,909</u>	<u>\$ -</u>	<u>\$ 134,940</u>	<u>\$ 3,549</u>	<u>\$ 733</u>	<u>\$ 160,180</u>	<u>\$ 594,381</u>
\$ -	\$ 51,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,096
15,654	-	-	-	-	-	-	4,180	359,669
-	-	-	-	-	-	-	136,000	2,646
-	5,524	-	-	-	-	-	-	74,324
-	-	-	-	-	-	733	-	2,646
<u>15,654</u>	<u>57,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>733</u>	<u>140,180</u>	<u>594,381</u>
-	-	-	-	-	-	-	-	-
-	-	33,909	-	134,940	3,549	-	-	-
-	-	-	-	-	-	-	-	-
-	1,058	-	-	-	-	-	20,000	-
-	1,058	33,909	-	134,940	3,549	-	20,000	-
<u>\$ 15,654</u>	<u>\$ 58,124</u>	<u>\$ 33,909</u>	<u>\$ -</u>	<u>\$ 134,940</u>	<u>\$ 3,549</u>	<u>\$ 733</u>	<u>\$ 160,180</u>	<u>\$ 594,381</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2012

	Special Revenue Funds				Debt Service Funds		
	Veteran's Trust (2940)	C.E.D.C (2960)	Mental Health Buildings (2970)	Quality of Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)
Assets							
Cash and investments	\$ 18	\$ -	\$ 66,755	\$ 41,653	\$ 454,702	\$ 93,720	\$ 143,824
Receivables, net:							
Accounts	-	-	-	-	-	-	-
Due from other governments	2,568	-	-	-	-	-	-
Accrued interest	-	-	76	43	1,278	-	85
Long-term notes	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	\$ 2,586	\$ -	\$ 66,831	\$ 41,696	\$ 455,980	\$ 93,720	\$ 143,909
Liabilities							
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payables:							
Accounts payable	2,568	-	15,830	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Accrued liabilities	-	-	698	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	2,568	-	16,528	-	-	-	-
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	18	-	50,303	41,696	455,980	-	143,909
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	93,720	-
Total fund balances	18	-	50,303	41,696	455,980	93,720	143,909
Total liabilities and fund balances	\$ 2,586	\$ -	\$ 66,831	\$ 41,696	\$ 455,980	\$ 93,720	\$ 143,909

Capital Projects Funds					Permanent Funds		
Hall of Justice (4130)	CMH Apple Building (4140)	Heritage Landing Development (4180)	Public Improvement (4930)	Capital Improvement (4960)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	Total
\$ 124,550	\$ 69,693	\$ 67,018	\$ 1,043,481	\$ 36,568	\$ 37,153	\$ 4,302	\$ 5,370,747
-	-	-	-	-	-	-	315,118
-	-	-	-	-	-	-	3,386,105
-	68	-	2,218	-	141	-	5,941
-	-	-	625,000	300,000	-	-	925,000
-	-	-	-	-	-	-	18,258
<u>\$ 124,550</u>	<u>\$ 69,761</u>	<u>\$ 67,018</u>	<u>\$ 1,670,699</u>	<u>\$ 336,568</u>	<u>\$ 37,294</u>	<u>\$ 4,302</u>	<u>\$ 10,021,169</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,626,804
124,550	-	-	2,579	-	-	-	1,672,922
-	-	-	-	-	-	-	495,880
-	-	-	-	-	-	-	304,122
-	-	-	-	-	-	-	3,879
<u>124,550</u>	<u>-</u>	<u>-</u>	<u>2,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,103,607</u>
-	-	-	625,000	300,000	37,294	4,302	984,854
-	69,761	53,165	-	-	-	-	3,086,214
-	-	-	-	36,568	-	-	334,904
-	-	13,853	1,043,120	-	-	-	1,511,590
-	69,761	67,018	1,668,120	336,568	37,294	4,302	5,917,562
<u>\$ 124,550</u>	<u>\$ 69,761</u>	<u>\$ 67,018</u>	<u>\$ 1,670,699</u>	<u>\$ 336,568</u>	<u>\$ 37,294</u>	<u>\$ 4,302</u>	<u>\$ 10,021,169</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2012**

	Special Revenue Funds						
	Cooperative Reimbursement Prosecutor (1150)	Sobriety Court (1170)	Emergency Services (1190)	Marine Safety (1200)	Highway Safety Programs (1210)	Enhance 911 GIS (1211)	Township Patrols (1240)
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	215,968	110,299	297,725	-	42,262	28,780	-
State	-	41,345	-	104,598	143,100	-	-
Local	-	-	-	-	-	-	110,793
Charges for services	-	98,084	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Other	-	-	4,129	-	-	-	-
Total revenues	215,968	249,728	301,854	104,598	185,362	28,780	110,793
Expenditures							
Current:							
General government	326,603	-	-	-	-	-	-
Judicial	-	337,722	-	-	-	-	-
Public safety	-	-	175,927	141,324	261,626	28,780	215,329
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Cultural	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	997	-	269,922	-	-	-	-
Total expenditures	327,600	337,722	445,849	141,324	261,626	28,780	215,329
Revenues over (under) expenditures	(111,632)	(87,994)	(143,995)	(36,726)	(76,264)	-	(104,536)
Other financing sources (uses)							
Transfers in	111,632	87,994	140,197	36,726	76,264	-	104,536
Transfers out	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	111,632	87,994	140,197	36,726	76,264	-	104,536
Net change in fund balances	-	-	(3,798)	-	-	-	-
Fund balances, beginning of year	-	119,171	30,263	17,723	-	-	-
Fund balances, end of year	\$ -	\$ 119,171	\$ 26,465	\$ 17,723	\$ -	\$ -	\$ -

Special Revenue Funds								
Park Fund (2080)	Safe Schools/ Healthy Students (2152)	Health Department (2210)	Lead Hazard Grant (2212)	Sustainability Grant (2261)	Accommodations Tax (2300)	CDBG Housing Grant (2470)	Neighborhood Stabilization Grant (2471)	Deed Automation Fund (2560)
\$ -	\$ -	\$ 413,233	\$ -	\$ -	\$ 910,408	\$ -	\$ -	\$ -
-	-	2,159,817	135,280	-	-	3,428	270,458	-
-	-	1,079,842	-	18,026	-	-	-	-
-	-	-	-	-	-	-	-	-
682,264	53,715	1,888,343	-	-	-	-	-	173,181
-	-	-	-	-	-	-	-	-
735	-	1,054	-	-	1,124	-	-	4,857
-	-	-	-	-	-	-	-	-
-	-	6,994	-	-	-	-	-	-
742	-	404,186	1,000	-	60	1,941	-	-
<u>683,741</u>	<u>53,715</u>	<u>5,953,469</u>	<u>136,280</u>	<u>18,026</u>	<u>911,592</u>	<u>5,369</u>	<u>270,458</u>	<u>178,038</u>
-	56,008	-	-	-	618,778	-	-	86,392
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	7,179,908	136,280	-	-	-	-	-
-	-	-	-	18,026	-	3,428	270,458	-
-	-	-	-	-	-	-	-	-
599,845	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,573	-	-	-	-	-	-	-	62,203
<u>601,418</u>	<u>56,008</u>	<u>7,179,908</u>	<u>136,280</u>	<u>18,026</u>	<u>618,778</u>	<u>3,428</u>	<u>270,458</u>	<u>148,595</u>
<u>82,323</u>	<u>(2,293)</u>	<u>(1,226,439)</u>	<u>-</u>	<u>-</u>	<u>292,814</u>	<u>1,941</u>	<u>-</u>	<u>29,443</u>
-	-	1,920,444	-	-	-	-	-	-
(26,207)	-	-	-	-	(130,629)	-	-	(20,000)
-	-	-	-	-	-	-	-	-
<u>(26,207)</u>	<u>-</u>	<u>1,920,444</u>	<u>-</u>	<u>-</u>	<u>(130,629)</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>
56,116	(2,293)	694,005	-	-	162,185	1,941	-	9,443
192,790	2,293	44,557	-	-	293,831	2,123	-	1,096,493
<u>\$ 248,906</u>	<u>\$ -</u>	<u>\$ 738,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 456,016</u>	<u>\$ 4,064</u>	<u>\$ -</u>	<u>\$ 1,105,936</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2012**

	Special Revenue Funds						
	Community Corrections (2640)	TNT Drug (2671)	Prosecutor Drug (2672)	JAG - ARRA (2675)	Comm. Capacity Building - ARRA (2676)	Wagner Peyser (2731)	Trade Adjustment Assistance (2733)
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	7,074	-	-	78,187	24,582	317,026	1,397,678
State	137,189	-	-	-	-	-	-
Local	-	-	-	-	-	-	-
Charges for services	10,700	-	-	-	-	-	-
Fines and forfeitures	-	2,350	-	-	-	-	-
Investment income	-	28	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	154,963	2,378	-	78,187	24,582	317,026	1,397,678
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-
Public safety	333,663	10,371	1,005	78,187	-	-	-
Health	-	-	-	-	24,582	-	-
Welfare	-	-	-	-	-	317,026	1,397,678
Cultural	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	333,663	10,371	1,005	78,187	24,582	317,026	1,397,678
Revenues over (under) expenditures	(178,700)	(7,993)	(1,005)	-	-	-	-
Other financing sources (uses)							
Transfers in	178,700	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	3,373	-	-	-	-	-
Total other financing sources (uses)	178,700	3,373	-	-	-	-	-
Net change in fund balances	-	(4,620)	(1,005)	-	-	-	-
Fund balances, beginning of year	-	21,507	4,439	-	-	-	-
Fund balances, end of year	\$ -	\$ 16,887	\$ 3,434	\$ -	\$ -	\$ -	\$ -

Special Revenue Funds								
DET Cost Pool (2739)	Jobs Education & Training (2751)	Food Stamp Program (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Worker Program (2763)	Strategic Planning (2765)	WIA Youth Statewide (2766)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,832,977	79,334	268,861	607,218	782,502	730,991	-	1,786
-	699,002	134	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	750	-	-	-	-	-	-	-
-	3,532,729	79,468	268,861	607,218	782,502	730,991	-	1,786
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	3,532,729	79,468	268,861	607,218	782,502	730,991	-	1,786
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	3,532,729	79,468	268,861	607,218	782,502	730,991	-	1,786
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	23	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ -

continued...

COUNTY OF MUSKEGON, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2012**

	Special Revenue Funds						
	WIA Service Center Operations (2767)	WIA SWA TANF Replacement (2770)	WIA SWA ARRA (2771)	WIA ARRA NEG (2775)	WIA Gold Standard Evaluation (2788)	Reemploy- ment Services EUC (2789)	United Way Summer Youth (2790)
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	17,931	191,949	64,451	695,586	-	107,057	-
State	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	45,000
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Other	-	-	-	-	18,400	-	-
Total revenues	17,931	191,949	64,451	695,586	18,400	107,057	45,000
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	17,931	191,949	64,451	695,586	170	107,057	45,000
Cultural	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	17,931	191,949	64,451	695,586	170	107,057	45,000
Revenues over (under) expenditures	-	-	-	-	18,230	-	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	18,230	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ 18,230	\$ -	\$ -

Special Revenue Funds								
JET SSI Pilot (2791)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	Community Gun Violence (2832)	EDC Loan Revolving (2860)	Rambusch - Ruchs CDBG Grant (2873)	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	66,807	-	1,197	-	-	-	-	25,030
15,654	144,697	-	-	-	-	68,049	857,014	3,593,545
-	-	46,500	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	745	-	-	-	-
-	-	-	-	-	-	-	-	-
-	500	-	-	-	-	-	-	-
-	-	-	-	-	-	-	55,769	418,144
<u>15,654</u>	<u>212,004</u>	<u>46,500</u>	<u>1,197</u>	<u>745</u>	<u>-</u>	<u>68,049</u>	<u>912,783</u>	<u>4,036,719</u>
-	-	48,915	-	5,483	-	-	-	-
-	-	-	1,197	-	-	-	-	-
-	236,369	-	-	-	-	-	-	-
-	-	-	-	-	-	-	923,613	7,943,454
15,654	-	-	-	-	-	-	-	-
-	-	-	-	-	-	68,675	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	757
<u>15,654</u>	<u>236,369</u>	<u>48,915</u>	<u>1,197</u>	<u>5,483</u>	<u>-</u>	<u>68,675</u>	<u>923,613</u>	<u>7,944,211</u>
-	(24,365)	(2,415)	-	(4,738)	-	(626)	(10,830)	(3,907,492)
-	24,365	-	-	-	-	626	10,830	3,907,492
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	24,365	-	-	-	-	626	10,830	3,907,492
-	-	(2,415)	-	(4,738)	-	-	-	-
-	1,058	36,324	-	139,678	3,549	-	20,000	-
<u>\$ -</u>	<u>\$ 1,058</u>	<u>\$ 33,909</u>	<u>\$ -</u>	<u>\$ 134,940</u>	<u>\$ 3,549</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ -</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2012**

	Special Revenue Funds				Debt Service Funds		
	Veteran's Trust (2940)	C.E.D.C (2960)	Mental Health Buildings (2970)	Quality of Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,283,522	\$ -	\$ -
Grants and contributions:							
Federal	-	-	-	-	-	-	-
State	28,509	-	-	-	-	-	-
Local	-	-	-	-	-	-	-
Charges for services	-	-	-	2,553	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income	-	-	268	199	5,093	34	300
Rentals	-	-	457,658	-	-	-	509,619
Contributions from private sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	28,509	-	457,926	2,752	1,288,615	34	509,919
Expenditures							
Current:							
General government	-	-	-	7,101	-	762	-
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health	-	750	425,009	-	-	-	762
Welfare	28,561	-	-	-	-	-	-
Cultural	-	-	-	-	762	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	1,080,000	110,000	160,000
Interest and fiscal charges	-	-	-	-	184,050	131,649	352,818
Capital outlay	-	-	-	-	-	-	-
Total expenditures	28,561	750	425,009	7,101	1,264,812	242,411	513,580
Revenues over (under) expenditures	(52)	(750)	32,917	(4,349)	23,803	(242,377)	(3,661)
Other financing sources (uses)							
Transfers in	-	750	-	-	-	242,377	-
Transfers out	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	750	-	-	-	242,377	-
Net change in fund balances	(52)	-	32,917	(4,349)	23,803	-	(3,661)
Fund balances, beginning of year	70	-	17,386	46,045	432,177	93,720	147,570
Fund balances, end of year	\$ 18	\$ -	\$ 50,303	\$ 41,696	\$ 455,980	\$ 93,720	\$ 143,909

Capital Projects Funds					Permanent Funds		Total
Hall of Justice (4130)	CMH Apple Building (4140)	Heritage Landing Development (4180)	Public Improvement (4930)	Capital Improvement (4960)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,607,163
-	-	35,046	-	-	-	-	11,597,287
-	-	-	-	-	-	-	6,930,704
-	-	-	-	-	-	-	202,293
-	-	-	-	-	-	-	2,908,840
-	-	-	-	-	-	-	2,350
-	764	-	13,199	-	152	12	28,564
-	-	-	12,500	-	-	8,536	988,313
-	-	94,000	-	-	-	-	101,494
246	1,501	3,960	478	-	-	-	911,306
<u>246</u>	<u>2,265</u>	<u>133,006</u>	<u>26,177</u>	<u>-</u>	<u>152</u>	<u>8,548</u>	<u>26,278,314</u>
-	-	-	-	-	470	13,773	1,164,285
-	-	-	-	-	-	-	338,919
-	-	-	-	-	-	-	1,482,581
-	-	-	-	-	-	-	16,634,358
-	-	-	-	-	-	-	9,176,530
-	-	-	-	-	-	-	69,437
-	-	79,841	-	-	-	-	679,686
-	-	-	306,448	462	-	-	306,910
-	-	-	25,000	-	-	-	1,375,000
-	-	-	-	-	-	-	668,517
1,535,831	171,826	-	-	-	-	-	2,043,109
<u>1,535,831</u>	<u>171,826</u>	<u>79,841</u>	<u>331,448</u>	<u>462</u>	<u>470</u>	<u>13,773</u>	<u>33,939,332</u>
<u>(1,535,585)</u>	<u>(169,561)</u>	<u>53,165</u>	<u>(305,271)</u>	<u>(462)</u>	<u>(318)</u>	<u>(5,225)</u>	<u>(7,661,018)</u>
1,535,585	-	13,853	-	-	-	-	8,392,371
-	-	-	(1,549,438)	-	-	-	(1,726,274)
-	-	-	-	-	-	-	3,373
<u>1,535,585</u>	<u>-</u>	<u>13,853</u>	<u>(1,549,438)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,669,470</u>
-	(169,561)	67,018	(1,854,709)	(462)	(318)	(5,225)	(991,548)
-	239,322	-	3,522,829	337,030	37,612	9,527	6,909,110
<u>\$ -</u>	<u>\$ 69,761</u>	<u>\$ 67,018</u>	<u>\$ 1,668,120</u>	<u>\$ 336,568</u>	<u>\$ 37,294</u>	<u>\$ 4,302</u>	<u>\$ 5,917,562</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2012

	Cooperative Reimbursement Prosecutor (1150)			Sobriety Court (1170)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	219,828	215,968	(3,860)	130,299	110,299	(20,000)
State	-	-	-	14,000	41,345	27,345
Local	-	-	-	-	-	-
Charges for services	-	-	-	80,000	98,084	18,084
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	219,828	215,968	(3,860)	224,299	249,728	25,429
Expenditures						
Current:						
General government	332,072	326,603	(5,469)	-	-	-
Judicial	-	-	-	440,169	337,722	(102,447)
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital outlay	1,000	997	(3)	-	-	-
Total expenditures	333,072	327,600	(5,472)	440,169	337,722	(102,447)
Revenues over (under) expenditures	(113,244)	(111,632)	1,612	(215,870)	(87,994)	127,876
Other financing sources (uses)						
Transfers in	113,244	111,632	(1,612)	215,870	87,994	(127,876)
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	113,244	111,632	(1,612)	215,870	87,994	(127,876)
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	119,171	119,171	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ 119,171	\$ 119,171	\$ -

Emergency Services (1190)			Marine Safety (1200)			Highway Safety Programs (1210)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
69,330	297,725	228,395	-	-	-	89,854	42,262	(47,592)
-	-	-	97,095	104,598	7,503	143,100	143,100	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
7,000	4,129	(2,871)	-	-	-	-	-	-
<u>76,330</u>	<u>301,854</u>	<u>225,524</u>	<u>97,095</u>	<u>104,598</u>	<u>7,503</u>	<u>232,954</u>	<u>185,362</u>	<u>(47,592)</u>
-	-	-	-	-	-	-	-	-
192,819	175,927	(16,892)	139,727	141,324	1,597	310,043	261,626	(48,417)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
50,000	269,922	219,922	-	-	-	-	-	-
<u>242,819</u>	<u>445,849</u>	<u>203,030</u>	<u>139,727</u>	<u>141,324</u>	<u>1,597</u>	<u>310,043</u>	<u>261,626</u>	<u>(48,417)</u>
<u>(166,489)</u>	<u>(143,995)</u>	<u>22,494</u>	<u>(42,632)</u>	<u>(36,726)</u>	<u>5,906</u>	<u>(77,089)</u>	<u>(76,264)</u>	<u>825</u>
159,249	140,197	(19,052)	42,632	36,726	(5,906)	77,089	76,264	(825)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>159,249</u>	<u>140,197</u>	<u>(19,052)</u>	<u>42,632</u>	<u>36,726</u>	<u>(5,906)</u>	<u>77,089</u>	<u>76,264</u>	<u>(825)</u>
(7,240)	(3,798)	3,442	-	-	-	-	-	-
<u>30,263</u>	<u>30,263</u>	<u>-</u>	<u>17,723</u>	<u>17,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 23,023</u>	<u>\$ 26,465</u>	<u>\$ 3,442</u>	<u>\$ 17,723</u>	<u>\$ 17,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures
 and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2012

	Enhance 911 GIS (1211)			Township Patrols (1240)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	31,148	28,780	(2,368)	-	-	-
State	-	-	-	-	-	-
Local	-	-	-	104,967	110,793	5,826
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	31,148	28,780	(2,368)	104,967	110,793	5,826
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	31,148	28,780	(2,368)	209,934	215,329	5,395
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	31,148	28,780	(2,368)	209,934	215,329	5,395
Revenues over (under) expenditures	-	-	-	(104,967)	(104,536)	431
Other financing sources (uses)						
Transfers in	-	-	-	104,967	104,536	(431)
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	104,967	104,536	(431)
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Park Fund (2080)			Safe Schools/Healthy Students (2152)			Health Department (2210)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,678	\$ 413,233	\$ 152,555
-	-	-	-	-	-	2,041,647	2,159,817	118,170
-	-	-	-	-	-	1,098,215	1,079,842	(18,373)
-	-	-	-	-	-	-	-	-
675,000	682,264	7,264	54,186	53,715	(471)	2,104,786	1,888,343	(216,443)
-	-	-	-	-	-	-	-	-
400	735	335	-	-	-	100	1,054	954
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,300	6,994	1,694
-	742	742	-	-	-	285,214	404,186	118,972
<u>675,400</u>	<u>683,741</u>	<u>8,341</u>	<u>54,186</u>	<u>53,715</u>	<u>(471)</u>	<u>5,795,940</u>	<u>5,953,469</u>	<u>157,529</u>
-	-	-	56,479	56,008	(471)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,737,370	7,179,908	(557,462)
-	-	-	-	-	-	-	-	-
655,878	599,845	(56,033)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,697	1,573	(124)	-	-	-	-	-	-
<u>657,575</u>	<u>601,418</u>	<u>(56,157)</u>	<u>56,479</u>	<u>56,008</u>	<u>(471)</u>	<u>7,737,370</u>	<u>7,179,908</u>	<u>(557,462)</u>
<u>17,825</u>	<u>82,323</u>	<u>64,498</u>	<u>(2,293)</u>	<u>(2,293)</u>	<u>-</u>	<u>(1,941,430)</u>	<u>(1,226,439)</u>	<u>714,991</u>
-	-	-	-	-	-	1,963,732	1,920,444	(43,288)
(24,302)	(26,207)	(1,905)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>(24,302)</u>	<u>(26,207)</u>	<u>(1,905)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,963,732</u>	<u>1,920,444</u>	<u>(43,288)</u>
(6,477)	56,116	62,593	(2,293)	(2,293)	-	22,302	694,005	671,703
192,790	192,790	-	2,293	2,293	-	44,557	44,557	-
<u>\$ 186,313</u>	<u>\$ 248,906</u>	<u>\$ 62,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,859</u>	<u>\$ 738,562</u>	<u>\$ 671,703</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2012

	Lead Hazard Grant (2212)			Sustainability Grant (2261)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	172,768	135,280	(37,488)	-	-	-
State	-	-	-	37,100	18,026	(19,074)
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other	3,500	1,000	(2,500)	-	-	-
Total revenues	176,268	136,280	(39,988)	37,100	18,026	(19,074)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	176,268	136,280	(39,988)	-	-	-
Welfare	-	-	-	37,100	18,026	(19,074)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	176,268	136,280	(39,988)	37,100	18,026	(19,074)
Revenues over (under) expenditures	-	-	-	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Accommodations Tax (2300)			CDBG Housing Grant (2470)			Neighborhood Stabilization Grant (2471)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ 901,020	\$ 910,408	\$ 9,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	150,000	3,428	(146,572)	650,000	270,458	(379,542)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,000	1,124	124	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	60	60	-	1,941	1,941	-	-	-
<u>902,020</u>	<u>911,592</u>	<u>9,572</u>	<u>150,000</u>	<u>5,369</u>	<u>(144,631)</u>	<u>650,000</u>	<u>270,458</u>	<u>(379,542)</u>
639,097	618,778	(20,319)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	150,000	3,428	(146,572)	650,000	270,458	(379,542)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>639,097</u>	<u>618,778</u>	<u>(20,319)</u>	<u>150,000</u>	<u>3,428</u>	<u>(146,572)</u>	<u>650,000</u>	<u>270,458</u>	<u>(379,542)</u>
<u>262,923</u>	<u>292,814</u>	<u>29,891</u>	<u>-</u>	<u>1,941</u>	<u>1,941</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
(130,629)	(130,629)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>(130,629)</u>	<u>(130,629)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
132,294	162,185	29,891	-	1,941	1,941	-	-	-
293,831	293,831	-	2,123	2,123	-	-	-	-
<u>\$ 426,125</u>	<u>\$ 456,016</u>	<u>\$ 29,891</u>	<u>\$ 2,123</u>	<u>\$ 4,064</u>	<u>\$ 1,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2012

	Deed Automation Fund (2560)			Community Corrections (2640)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	7,074	7,074	-
State	-	-	-	154,299	137,189	(17,110)
Local	-	-	-	-	-	-
Charges for services	170,000	173,181	3,181	10,000	10,700	700
Fines and forfeitures	-	-	-	-	-	-
Investment income	3,500	4,857	1,357	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	173,500	178,038	4,538	171,373	154,963	(16,410)
Expenditures						
Current:						
General government	180,447	86,392	(94,055)	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	319,227	333,663	14,436
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital outlay	197,000	62,203	(134,797)	-	-	-
Total expenditures	377,447	148,595	(228,852)	319,227	333,663	14,436
Revenues over (under) expenditures	(203,947)	29,443	233,390	(147,854)	(178,700)	(30,846)
Other financing sources (uses)						
Transfers in	-	-	-	147,854	178,700	30,846
Transfers out	(20,000)	(20,000)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	(20,000)	(20,000)	-	147,854	178,700	30,846
Net change in fund balances	(223,947)	9,443	233,390	-	-	-
Fund balances, beginning of year	1,096,493	1,096,493	-	-	-	-
Fund balances, end of year	\$ 872,546	\$ 1,105,936	\$ 233,390	\$ -	\$ -	\$ -

TNT Drug (2671)			Prosecutor Drug (2672)			JAG-ARRA (2675)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	113,632	78,187	(35,445)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,000	2,350	1,350	-	-	-	-	-	-
28	28	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,028</u>	<u>2,378</u>	<u>1,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,632</u>	<u>78,187</u>	<u>(35,445)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
14,603	10,371	(4,232)	2,322	1,005	(1,317)	113,632	78,187	(35,445)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>14,603</u>	<u>10,371</u>	<u>(4,232)</u>	<u>2,322</u>	<u>1,005</u>	<u>(1,317)</u>	<u>113,632</u>	<u>78,187</u>	<u>(35,445)</u>
<u>(13,575)</u>	<u>(7,993)</u>	<u>5,582</u>	<u>(2,322)</u>	<u>(1,005)</u>	<u>1,317</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,373	3,373	-	-	-	-	-	-	-
<u>3,373</u>	<u>3,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(10,202)	(4,620)	5,582	(2,322)	(1,005)	1,317	-	-	-
21,507	21,507	-	4,439	4,439	-	-	-	-
<u>\$ 11,305</u>	<u>\$ 16,887</u>	<u>\$ 5,582</u>	<u>\$ 2,117</u>	<u>\$ 3,434</u>	<u>\$ 1,317</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures
 and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2012

	Comm. Capacity Building - ARRA (2676)			Wagner Peyser (2731)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	24,582	24,582	-	512,036	317,026	(195,010)
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	24,582	24,582	-	512,036	317,026	(195,010)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	24,582	24,582	-	-	-	-
Welfare	-	-	-	512,036	317,026	(195,010)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	24,582	24,582	-	512,036	317,026	(195,010)
Revenues over (under) expenditures	-	-	-	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Trade Adjustment Assistance (2733)			Jobs Education & Training (2751)			Food Stamp Program (2759)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,685,000	1,397,678	(1,287,322)	3,215,927	2,832,977	(382,950)	165,961	79,334	(86,627)
-	-	-	805,969	699,002	(106,967)	3,090	134	(2,956)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	750	750	-	-	-
<u>2,685,000</u>	<u>1,397,678</u>	<u>(1,287,322)</u>	<u>4,021,896</u>	<u>3,532,729</u>	<u>(489,167)</u>	<u>169,051</u>	<u>79,468</u>	<u>(89,583)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,660,000	1,397,678	(1,262,322)	4,020,496	3,532,729	(487,767)	169,051	79,468	(89,583)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
25,000	-	(25,000)	1,400	-	(1,400)	-	-	-
<u>2,685,000</u>	<u>1,397,678</u>	<u>(1,287,322)</u>	<u>4,021,896</u>	<u>3,532,729</u>	<u>(489,167)</u>	<u>169,051</u>	<u>79,468</u>	<u>(89,583)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2012

	WIA Admin Pool (2760)			WIA Adult Program (2761)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	396,015	268,861	(127,154)	1,157,057	607,218	(549,839)
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	396,015	268,861	(127,154)	1,157,057	607,218	(549,839)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	396,015	268,861	(127,154)	1,150,701	607,218	(543,483)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital outlay	-	-	-	6,356	-	(6,356)
Total expenditures	396,015	268,861	(127,154)	1,157,057	607,218	(549,839)
Revenues over (under) expenditures	-	-	-	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,333,670	782,502	(551,168)	1,505,856	730,991	(774,865)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,333,670	782,502	(551,168)	1,505,856	730,991	(774,865)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,332,891	782,502	(550,389)	1,505,817	730,991	(774,826)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
779	-	(779)	39	-	(39)	-	-	-
1,333,670	782,502	(551,168)	1,505,856	730,991	(774,865)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	23	23	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ 23	\$ -

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COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures
 and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2012

	WIA Youth Statewide (2766)			WIA Service Center Operations (2767)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	1,786	1,786	-	64,246	17,931	(46,315)
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	1,786	1,786	-	64,246	17,931	(46,315)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	1,786	1,786	-	64,246	17,931	(46,315)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	1,786	1,786	-	64,246	17,931	(46,315)
Revenues over (under) expenditures	-	-	-	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2012

	WIA Gold Standard Evaluation (2788)			Reemployment Services EUC (2789)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	199,495	107,057	(92,438)
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other	-	18,400	18,400	-	-	-
Total revenue	-	18,400	18,400	199,495	107,057	(92,438)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	170	170	199,495	107,057	(92,438)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	170	170	199,495	107,057	(92,438)
Revenue over (under) expenditures	-	18,230	18,230	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	18,230	18,230	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ 18,230	\$ 18,230	\$ -	\$ -	\$ -

United Way Summer Youth (2790)			JET SSI Pilot (2791)			Crime Victims' Rights (2800)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	68,655	66,807	(1,848)
-	-	-	-	15,654	15,654	152,361	144,697	(7,664)
45,000	45,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	500	500	-
-	-	-	-	-	-	-	-	-
<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>15,654</u>	<u>15,654</u>	<u>221,516</u>	<u>212,004</u>	<u>(9,512)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	245,888	236,369	(9,519)
45,000	45,000	-	-	15,654	15,654	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>15,654</u>	<u>15,654</u>	<u>245,888</u>	<u>236,369</u>	<u>(9,519)</u>
-	-	-	-	-	-	(24,372)	(24,365)	7
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	24,372	24,365	(7)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	24,372	24,365	(7)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,058	1,058	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,058</u>	<u>\$ 1,058</u>	<u>\$ -</u>

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COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2012

	Muskegon Area Stormwater Committee (2823)			Community Gun Violence (2832)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	1,197	1,197	-
State	-	-	-	-	-	-
Local	46,500	46,500	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	46,500	46,500	-	1,197	1,197	-
Expenditures						
Current:						
General government	46,500	48,915	2,415	-	-	-
Judicial	-	-	-	1,197	1,197	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	46,500	48,915	2,415	1,197	1,197	-
Revenues over (under) expenditures	-	(2,415)	(2,415)	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	(2,415)	(2,415)	-	-	-
Fund balances, beginning of year	36,324	36,324	-	-	-	-
Fund balances, end of year	\$ 36,324	\$ 33,909	\$ (2,415)	\$ -	\$ -	\$ -

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	68,500	68,049	(451)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	745	745	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	745	745	-	-	-	68,500	68,049	(451)
-	5,483	5,483	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	69,670	68,675	(995)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	5,483	5,483	-	-	-	69,670	68,675	(995)
-	(4,738)	(4,738)	-	-	-	(1,170)	(626)	544
-	-	-	-	-	-	1,170	626	(544)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	(4,738)	(4,738)	-	-	-	-	-	-
139,678	139,678	-	3,549	3,549	-	-	-	-
\$ 139,678	\$ 134,940	\$ (4,738)	\$ 3,549	\$ 3,549	\$ -	\$ -	\$ -	\$ -

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COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2012

	Social Welfare (2910)			Child Care Facility (2920)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	28,100	25,030	(3,070)
State	1,000,000	857,014	(142,986)	3,621,402	3,593,545	(27,857)
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Other	88,000	55,769	(32,231)	419,158	418,144	(1,014)
Total revenues	1,088,000	912,783	(175,217)	4,068,660	4,036,719	(31,941)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	1,100,373	923,613	(176,760)	8,241,221	7,943,454	(297,767)
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital outlay	-	-	-	5,484	757	(4,727)
Total expenditures	1,100,373	923,613	(176,760)	8,246,705	7,944,211	(302,494)
Revenues over (under) expenditures	(12,373)	(10,830)	1,543	(4,178,045)	(3,907,492)	270,553
Other financing sources (uses)						
Transfers in	12,373	10,830	(1,543)	4,178,045	3,907,492	(270,553)
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	12,373	10,830	(1,543)	4,178,045	3,907,492	(270,553)
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	20,000	20,000	-	-	-	-
Fund balances, end of year	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -

Veteran's Trust (2940)			C.E.D.C (2960)			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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
30,675	28,509	(2,166)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	268	268
-	-	-	-	-	-	457,658	457,658	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>30,675</u>	<u>28,509</u>	<u>(2,166)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>457,658</u>	<u>457,926</u>	<u>268</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,500	750	(1,750)	441,721	425,009	(16,712)
13,717	28,561	14,844	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>13,717</u>	<u>28,561</u>	<u>14,844</u>	<u>2,500</u>	<u>750</u>	<u>(1,750)</u>	<u>441,721</u>	<u>425,009</u>	<u>(16,712)</u>
<u>16,958</u>	<u>(52)</u>	<u>(17,010)</u>	<u>(2,500)</u>	<u>(750)</u>	<u>1,750</u>	<u>15,937</u>	<u>32,917</u>	<u>16,980</u>
-	-	-	2,500	750	(1,750)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>750</u>	<u>(1,750)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>16,958</u>	<u>(52)</u>	<u>(17,010)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,937</u>	<u>32,917</u>	<u>16,980</u>
<u>70</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,386</u>	<u>17,386</u>	<u>-</u>
<u>\$ 17,028</u>	<u>\$ 18</u>	<u>\$ (17,010)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,323</u>	<u>\$ 50,303</u>	<u>\$ 16,980</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended September 30, 2012

	Quality of Victim Restitution (2980)		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Grants and contributions:			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Charges for services	4,500	2,553	(1,947)
Fines and forfeitures	-	-	-
Investment income	300	199	(101)
Rentals	-	-	-
Contributions from private sources	-	-	-
Other	-	-	-
Total revenues	4,800	2,752	(2,048)
Expenditures			
Current:			
General government	23,000	7,101	(15,899)
Judicial	-	-	-
Public safety	-	-	-
Health	-	-	-
Welfare	-	-	-
Cultural	-	-	-
Recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Total expenditures	23,000	7,101	(15,899)
Revenues over (under) expenditures	(18,200)	(4,349)	13,851
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(18,200)	(4,349)	13,851
Fund balances, beginning of year	46,045	46,045	-
Fund balances, end of year	\$ 27,845	\$ 41,696	\$ 13,851

concluded

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. This fund was closed effective September 30, 2012.

Delinquent Tax Revolving Funds (5100,5167,5168,5169)--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.

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.

2011 Delinquent Tax Revolving Fund (5161)--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, 2012

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2010 Delinquent Tax Revolving (5160)
Assets				
Current assets:				
Cash and investments	\$ -	\$ -	\$ -	\$ 9,308,866
Receivables, net:				
Accounts	-	-	435,696	-
Due from other governments	-	-	-	-
Accrued interest	-	36	520	33,117
Taxes	-	379,916	-	4,070,696
Inventories	-	-	-	-
Total current assets	-	379,952	436,216	13,412,679
Noncurrent assets:				
Advances to component units	-	-	250,000	-
Restricted assets	-	-	-	-
Capital assets not being depreciated	-	-	-	-
Capital assets being depreciated, net	-	-	-	-
Total noncurrent assets	-	-	250,000	-
Total assets	-	379,952	686,216	13,412,679
Liabilities				
Current liabilities:				
Negative equity in pooled cash	-	209,825	680,322	-
Accounts payable	-	-	3,943	325
Accrued liabilities	-	-	1,951	3,187
Due to other governments	-	-	-	-
Accrued interest	-	-	-	16,667
Current portion of accrued closure cost and sludge removal	-	-	-	-
Current portion of compensated absences	-	-	-	-
Current portion of long-term debt	-	-	-	4,000,000
Total current liabilities	-	209,825	686,216	4,020,179
Noncurrent liabilities, net of current portion:				
Accrued closure cost and sludge removal	-	-	-	-
Compensated absences	-	-	-	-
Long-term debt	-	-	-	-
Total noncurrent liabilities	-	-	-	-
Total liabilities	-	209,825	686,216	4,020,179
Net assets				
Invested in capital assets, net of related debt	-	-	-	-
Unrestricted	-	170,127	-	9,392,500
Total net assets (deficit)	\$ -	\$ 170,127	\$ -	\$ 9,392,500

2011 Delinquent Tax Revolving (5161)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ 4,217,826	\$ 10,784,620	\$ 977,622	\$ -	\$ 149,192	\$ 25,438,126
-	89,732	-	800	-	526,228
-	-	-	850,063	-	850,063
-	34,838	1,022	47	147	69,727
9,166,092	-	-	-	-	13,616,704
-	4,157	-	-	-	4,157
<u>13,383,918</u>	<u>10,913,347</u>	<u>978,644</u>	<u>850,910</u>	<u>149,339</u>	<u>40,505,005</u>
-	-	-	-	-	250,000
-	1,800,165	131,425	-	-	1,931,590
-	934,484	-	199,487	-	1,133,971
-	4,665,759	76,622	7,387,579	7,875	12,137,835
-	7,400,408	208,047	7,587,066	7,875	15,453,396
<u>13,383,918</u>	<u>18,313,755</u>	<u>1,186,691</u>	<u>8,437,976</u>	<u>157,214</u>	<u>55,958,401</u>
-	-	-	85,985	-	976,132
-	33,835	-	119,572	1,960	159,635
3,642	20,807	1,727	63,678	461	95,453
-	-	-	131,392	-	131,392
30,971	-	-	-	-	47,638
-	210,797	35,513	-	-	246,310
-	57,925	1,759	85,793	-	145,477
8,037,293	-	-	-	-	12,037,293
<u>8,071,906</u>	<u>323,364</u>	<u>38,999</u>	<u>486,420</u>	<u>2,421</u>	<u>13,839,330</u>
-	9,782,193	1,049,027	-	-	10,831,220
-	96,157	2,332	113,726	-	212,215
4,004,387	-	-	-	-	4,004,387
<u>4,004,387</u>	<u>9,878,350</u>	<u>1,051,359</u>	<u>113,726</u>	<u>-</u>	<u>15,047,822</u>
<u>12,076,293</u>	<u>10,201,714</u>	<u>1,090,358</u>	<u>600,146</u>	<u>2,421</u>	<u>28,887,152</u>
-	5,600,243	76,622	7,587,066	7,875	13,271,806
1,307,625	2,511,798	19,711	250,764	146,918	13,799,443
<u>\$ 1,307,625</u>	<u>\$ 8,112,041</u>	<u>\$ 96,333</u>	<u>\$ 7,837,830</u>	<u>\$ 154,793</u>	<u>\$ 27,071,249</u>

COUNTY OF MUSKEGON, MICHIGAN

**Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended September 30, 2012**

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2010 Delinquent Tax Revolving (5160)
Operating revenues				
Charges for services	\$ -	\$ -	\$ 959,284	\$ 104,732
Interest and penalties	-	32,265	-	1,372,693
Other	-	-	1,437	-
Total operating revenues	-	32,265	960,721	1,477,425
Operating expenses				
Salaries and fringes	3,233	-	71,194	230,415
Supplies and other operating expenses	12,551	8,055	1,511,308	38,557
Depreciation	62,812	-	-	-
Total operating expenses	78,596	8,055	1,582,502	268,972
Operating income (loss)	(78,596)	24,210	(621,781)	1,208,453
Nonoperating revenues (expense)				
Operating subsidies	-	-	-	-
Grants and contributions:				
State	-	-	-	-
Interest income	2,781	153	2,240	71,164
Interest expense	-	-	-	(95,644)
Gain (loss) on sale of capital assets	(1,178,848)	-	-	-
Total nonoperating revenues (expense)	(1,176,067)	153	2,240	(24,480)
Income (loss) before transfers	(1,254,663)	24,363	(619,541)	1,183,973
Transfers in	-	-	-	24,034
Transfers out	(605,452)	(50,000)	(234,620)	(3,212,051)
Change in net assets	(1,860,115)	(25,637)	(854,161)	(2,004,044)
Net assets, beginning of year	1,860,115	195,764	854,161	11,396,544
Net assets, end of year	\$ -	\$ 170,127	\$ -	\$ 9,392,500

2011 Delinquent Tax Revolving (5161)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ -	\$ 2,154,860	\$ -	\$ 648,966	\$ 72,633	\$ 3,940,475
1,393,288	-	-	-	-	2,798,246
-	35,578	-	1,624	-	38,639
<u>1,393,288</u>	<u>2,190,438</u>	<u>-</u>	<u>650,590</u>	<u>72,633</u>	<u>6,777,360</u>
2,685	878,185	82,099	2,351,226	28,797	3,647,834
56,692	823,391	92,952	1,285,821	18,175	3,847,502
-	606,439	3,784	623,406	4,500	1,300,941
<u>59,377</u>	<u>2,308,015</u>	<u>178,835</u>	<u>4,260,453</u>	<u>51,472</u>	<u>8,796,277</u>
<u>1,333,911</u>	<u>(117,577)</u>	<u>(178,835)</u>	<u>(3,609,863)</u>	<u>21,161</u>	<u>(2,018,917)</u>
-	-	-	4,616,922	-	4,616,922
-	-	-	34,131	-	34,131
4,685	74,842	4,692	383	584	161,524
(30,971)	-	-	-	-	(126,615)
-	62,550	-	-	-	(1,116,298)
<u>(26,286)</u>	<u>137,392</u>	<u>4,692</u>	<u>4,651,436</u>	<u>584</u>	<u>3,569,664</u>
1,307,625	19,815	(174,143)	1,041,573	21,745	1,550,747
-	26,207	-	-	-	50,241
-	(250,000)	-	-	-	(4,352,123)
<u>1,307,625</u>	<u>(203,978)</u>	<u>(174,143)</u>	<u>1,041,573</u>	<u>21,745</u>	<u>(2,751,135)</u>
-	8,316,019	270,476	6,796,257	133,048	29,822,384
<u>\$ 1,307,625</u>	<u>\$ 8,112,041</u>	<u>\$ 96,333</u>	<u>\$ 7,837,830</u>	<u>\$ 154,793</u>	<u>\$ 27,071,249</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended September 30, 2012

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2010 Delinquent Tax Revolving (5160)
Cash flows from operating activities				
Receipts from customers and users	\$ 708	\$ 512,906	\$ 552,533	\$ 13,402,705
Payments to vendors	(13,912)	(463,059)	(830,607)	(38,614)
Payments for personnel services	(3,340)	-	(70,532)	(227,228)
Delinquent taxes purchased	-	-	-	-
Net cash provided by (used in) operating activities	<u>(16,544)</u>	<u>49,847</u>	<u>(348,606)</u>	<u>13,136,863</u>
Cash flows from noncapital financing activities				
Intergovernmental payments	(605,452)	(50,000)	(184,620)	(3,188,017)
Operating subsidies from grants	-	-	-	-
Federal and/or state grants	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(605,452)</u>	<u>(50,000)</u>	<u>(184,620)</u>	<u>(3,188,017)</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	-	-	-	(11,500,000)
Interest paid on long-term debt	-	-	-	(146,931)
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>	<u>(11,646,931)</u>
Cash flows from investing activities				
Interest received	2,781	153	2,240	71,164
Net increase (decrease) in cash and investments	<u>(619,215)</u>	<u>-</u>	<u>(530,986)</u>	<u>(1,626,921)</u>
Cash and investments, beginning of year	619,215	-	530,986	10,935,787
Cash and investments, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,308,866</u>

2011 Delinquent Tax Revolving (5161)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ 7,046,164	\$ 2,267,814	\$ 143	\$ 649,879	\$ 72,643	\$ 24,505,495
(55,735)	(786,696)	(12,168)	(1,369,541)	(16,215)	(3,586,547)
-	(859,720)	(81,879)	(2,348,934)	(28,929)	(3,620,562)
(14,818,968)	-	-	-	-	(14,818,968)
(7,828,539)	621,398	(93,904)	(3,068,596)	27,499	2,479,418
-	(223,793)	-	-	-	(4,251,882)
-	-	-	4,743,732	-	4,743,732
-	-	-	34,131	-	34,131
-	(223,793)	-	4,777,863	-	525,981
12,000,000	-	-	-	-	12,000,000
41,680	-	-	-	-	41,680
-	-	-	-	-	(11,500,000)
-	-	-	-	-	(146,931)
-	62,550	-	-	-	62,550
-	(1,087,797)	-	(1,709,650)	-	(2,797,447)
12,041,680	(1,025,247)	-	(1,709,650)	-	(2,340,148)
4,685	74,842	4,692	383	584	161,524
4,217,826	(552,800)	(89,212)	-	28,083	826,775
-	11,337,420	1,066,834	-	121,109	24,611,351
\$ 4,217,826	\$ 10,784,620	\$ 977,622	\$ -	\$ 149,192	\$ 25,438,126

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended September 30, 2012

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2010 Delinquent Tax Revolving (5160)
Cash flows from operating activities				
Operating income (loss)	\$ (78,596)	\$ 24,210	\$ (621,781)	\$ 1,208,453
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	62,812	-	-	-
Change in:				
Accounts receivable	-	-	(408,174)	685
Accrued interest receivable	708	154	(14)	(25,325)
Taxes receivable	-	480,487	-	11,949,920
Inventories	-	-	-	-
Restricted assets	-	-	-	-
Negative equity in pooled cash	-	(455,004)	680,322	-
Accounts payable	(1,361)	-	379	(57)
Accrued liabilities	(107)	-	662	3,187
Accrued closure cost and sludge removal	-	-	-	-
Accrued compensated absences	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (16,544)</u>	<u>\$ 49,847</u>	<u>\$ (348,606)</u>	<u>\$ 13,136,863</u>

2011 Delinquent Tax Revolving (5161)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ 1,333,911	\$ (117,577)	\$ (178,835)	\$ (3,609,863)	\$ 21,161	\$ (2,018,917)
-	606,439	3,784	623,406	4,500	1,300,941
-	101,024	-	(800)	-	(307,265)
-	(23,648)	143	89	10	(47,883)
(9,166,092)	-	-	-	-	3,264,315
-	4,173	-	-	-	4,173
-	(86,550)	473	-	-	(86,077)
-	-	-	(177,098)	-	48,220
-	(273,369)	-	93,378	1,960	(179,070)
3,642	960	189	3,847	(132)	12,248
-	392,441	80,311	-	-	472,752
-	17,505	31	(1,555)	-	15,981
<u>\$ (7,828,539)</u>	<u>\$ 621,398</u>	<u>\$ (93,904)</u>	<u>\$ (3,068,596)</u>	<u>\$ 27,499</u>	<u>\$ 2,479,418</u>

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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, 2012

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Assets			
Current assets:			
Cash and investments	\$ 104,511	\$ 54,612	\$ 16,420
Receivable, net:			
Accounts	4,942	-	-
Due from other governments	2,968	-	-
Accrued interest	64	-	-
Prepaid and other items	-	-	-
Deposits held with others	-	-	-
Total current assets	112,485	54,612	16,420
Noncurrent assets:			
Advances to other funds	-	-	-
Notes receivable	-	-	-
Capital assets not being depreciated	-	-	15,000
Capital assets being depreciated, net	-	-	113,682
Total noncurrent assets	-	-	128,682
Total assets	112,485	54,612	145,102
Liabilities			
Current liabilities:			
Accounts payable	9,226	52,016	80
Accrued liabilities	4,828	2,596	-
Due to other governments	-	-	-
Accrued interest	-	-	-
Due to other funds	-	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	14,054	54,612	80
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences	48,446	-	-
Long-term debt	-	-	-
Total noncurrent liabilities	48,446	-	-
Total liabilities	62,500	54,612	80
Net assets			
Invested in capital assets, net of related debt	-	-	128,682
Unrestricted	49,985	-	16,340
Total net assets	\$ 49,985	\$ -	\$ 145,022

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
\$ 533,420	\$ 128,204	\$ 7,854,531	\$ 3,686,039	\$ 12,377,737
-	39	2,207,018	-	2,211,999
-	-	-	-	2,968
473	404	32,082	-	33,023
-	-	199,494	-	199,494
-	-	162,643	-	162,643
<u>533,893</u>	<u>128,647</u>	<u>10,455,768</u>	<u>3,686,039</u>	<u>14,987,864</u>
-	-	750,584	-	750,584
-	-	200,000	-	200,000
-	6,461,768	-	-	6,476,768
6,613,539	3,499,015	-	-	10,226,236
<u>6,613,539</u>	<u>9,960,783</u>	<u>950,584</u>	<u>-</u>	<u>17,653,588</u>
<u>7,147,432</u>	<u>10,089,430</u>	<u>11,406,352</u>	<u>3,686,039</u>	<u>32,641,452</u>
3,449	354,002	1,076,893	-	1,495,666
-	-	3,860,376	-	3,867,800
-	-	84,129	-	84,129
199,081	8,009	-	-	207,090
-	-	-	129,516	129,516
200,000	-	-	-	200,000
<u>402,530</u>	<u>362,011</u>	<u>5,021,398</u>	<u>129,516</u>	<u>5,984,201</u>
-	567,118	-	-	567,118
-	-	-	-	48,446
6,655,000	2,033,937	-	-	8,688,937
<u>6,655,000</u>	<u>2,601,055</u>	<u>-</u>	<u>-</u>	<u>9,304,501</u>
<u>7,057,530</u>	<u>2,963,066</u>	<u>5,021,398</u>	<u>129,516</u>	<u>15,288,702</u>
(241,461)	7,926,846	-	-	7,814,067
331,363	(800,482)	6,384,954	3,556,523	9,538,683
<u>\$ 89,902</u>	<u>\$ 7,126,364</u>	<u>\$ 6,384,954</u>	<u>\$ 3,556,523</u>	<u>\$ 17,352,750</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Internal Service Funds For the Year Ended September 30, 2012

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Operating revenues			
Premiums	\$ -	\$ -	\$ -
Rentals	-	768,957	2,094
Other	531,405	-	-
Total operating revenues	531,405	768,957	2,094
Operating expenses			
Salaries and fringes	142,173	152,389	-
Supplies and other operating expenses	374,205	615,845	1,765
Insurance benefits and claims	-	-	-
Insurance premiums	-	723	329
Depreciation	-	-	9,225
Total operating expenses	516,378	768,957	11,319
Operating income (loss)	15,027	-	(9,225)
Nonoperating revenues (expense)			
Federal subsidy	-	-	-
Interest income	195	-	-
Interest expense	-	-	-
Total nonoperating revenues (expenses)	195	-	-
Income (loss) before capital contributions and transfers	15,222	-	(9,225)
Capital contributions	-	-	-
Transfers in	-	-	-
Change in net assets	15,222	-	(9,225)
Net assets, beginning of year	34,763	-	154,247
Net assets, end of year	\$ 49,985	\$ -	\$ 145,022

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
\$ -	\$ -	\$ 16,696,626	\$ -	\$ 16,696,626
-	1,169,482	-	-	1,940,533
-	380,868	3,342,811	-	4,255,084
-	1,550,350	20,039,437	-	22,892,243
-	11,705	896,012	-	1,202,279
17,144	256,774	119,702	129,516	1,514,951
-	-	115,143	-	115,143
-	7	20,508,327	-	20,509,386
389,013	684,880	-	-	1,083,118
406,157	953,366	21,639,184	129,516	24,424,877
(406,157)	596,984	(1,599,747)	(129,516)	(1,532,634)
-	-	545,956	-	545,956
489,628	8,294	71,199	5,273	574,589
(479,449)	(33,920)	-	-	(513,369)
10,179	(25,626)	617,155	5,273	607,176
(395,978)	571,358	(982,592)	(124,243)	(925,458)
383,385	-	-	-	383,385
-	250,000	-	-	250,000
(12,593)	821,358	(982,592)	(124,243)	(292,073)
102,495	6,305,006	7,367,546	3,680,766	17,644,823
\$ 89,902	\$ 7,126,364	\$ 6,384,954	\$ 3,556,523	\$ 17,352,750

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended September 30, 2012

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Cash flows from operating activities			
Receipts from customers and users	\$ 531,756	\$ 768,957	\$ 2,094
Payments to vendors	(374,531)	(581,840)	(2,620)
Payments for personnel services	(139,924)	(152,764)	(2,067)
Net cash provided by (used in) operating activities	<u>17,301</u>	<u>34,353</u>	<u>(2,593)</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	-	-	-
Federal subsidy	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities			
Proceeds from issuance of long-term debt	-	-	-
Principal payments on long-term debt	-	-	-
Interest paid on long-term debt	-	-	-
Capital contributions received	-	-	-
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	195	-	-
Net increase (decrease) in cash and investments	<u>17,496</u>	<u>34,353</u>	<u>(2,593)</u>
Cash and investments, beginning of year	<u>87,015</u>	<u>20,259</u>	<u>19,013</u>
Cash and investments, end of year	<u>\$ 104,511</u>	<u>\$ 54,612</u>	<u>\$ 16,420</u>
Cash flows from operating activities			
Operating income (loss)	\$ 15,027	\$ -	\$ (9,225)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	9,225
Change in:			
Accounts receivable	(1,254)	-	-
Due from other governments	1,667	-	-
Accrued interest receivable	(62)	-	-
Prepaid and other items	-	-	-
Deposits held with others	-	-	-
Accounts payable	(326)	34,728	(526)
Accrued liabilities	(1,701)	(375)	(2,067)
Due to other governments	-	-	-
Compensated absences	3,950	-	-
Net cash provided by (used in) operating activities	<u>\$ 17,301</u>	<u>\$ 34,353</u>	<u>\$ (2,593)</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
\$ 154	\$ 1,553,258	\$ 17,819,309	\$ -	\$ 20,675,528
(13,695)	(198,203)	(20,370,789)	(129,516)	(21,671,194)
-	(11,765)	(2,254,611)	-	(2,561,131)
(13,541)	1,343,290	(4,806,091)	(129,516)	(3,556,797)
-	250,000	-	2,235,173	2,485,173
-	-	545,956	-	545,956
-	250,000	545,956	2,235,173	3,031,129
-	2,711,792	-	-	2,711,792
(285,000)	(677,855)	-	-	(962,855)
(487,725)	(25,911)	-	-	(513,636)
383,385	-	-	-	383,385
-	(6,047,616)	-	-	(6,047,616)
(389,340)	(4,039,590)	-	-	(4,428,930)
489,628	8,294	71,199	5,273	574,589
86,747	(2,438,006)	(4,188,936)	2,110,930	(4,380,009)
446,673	2,566,210	12,043,467	1,575,109	16,757,746
\$ 533,420	\$ 128,204	\$ 7,854,531	\$ 3,686,039	\$ 12,377,737
\$ (406,157)	\$ 596,984	\$ (1,599,747)	\$ (129,516)	\$ (1,532,634)
389,013	684,880	-	-	1,083,118
-	-	(2,199,210)	-	(2,200,464)
-	-	-	-	1,667
154	2,908	(20,918)	-	(17,918)
-	-	37,906	-	37,906
-	-	69,927	-	69,927
3,449	58,578	264,550	-	360,453
-	(60)	(1,442,728)	-	(1,446,931)
-	-	84,129	-	84,129
-	-	-	-	3,950
(13,541)	1,343,290	(4,806,091)	(129,516)	(3,556,797)

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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, 2012

	Trust And Agency (7010)	Library Penal Fines Fund (7210)	Muskegon Central Dispatch 911 (7708)
Assets			
Cash and investments	\$ 5,347,028	\$ 63,680	\$ -
Receivables:			
Accounts	3,432,212	-	-
Accrued interest	-	98	-
Due from other governments	-	-	-
Total assets	\$ 8,779,240	\$ 63,778	\$ -
Liabilities			
Accounts payable	\$ 291,886	\$ -	\$ -
Due to other governments	310,776	-	-
Undistributed current and delinquent taxes	7,168,303	-	-
Trust deposits	878,198	-	-
Accrued liabilities	-	-	-
Unallocated receipts	130,077	63,778	-
Total liabilities	\$ 8,779,240	\$ 63,778	\$ -



Labor Management Program (7910)	CMH Client Funds (7930)	Muskegon Veterans Affairs (7940)	Orchard View (7982)	Total
\$ 88,806	\$ 337,551	\$ 111,375	\$ 35,616	\$ 5,984,056
-	-	-	-	3,432,212
88	-	149	35	370
-	-	952	-	952
<u>\$ 88,894</u>	<u>\$ 337,551</u>	<u>\$ 112,476</u>	<u>\$ 35,651</u>	<u>\$ 9,417,590</u>
\$ 674	\$ 141	\$ 1,685	\$ -	\$ 294,386
-	-	-	-	310,776
-	-	-	-	7,168,303
-	-	-	-	878,198
322	-	-	-	322
<u>87,898</u>	<u>337,410</u>	<u>110,791</u>	<u>35,651</u>	<u>765,605</u>
<u>\$ 88,894</u>	<u>\$ 337,551</u>	<u>\$ 112,476</u>	<u>\$ 35,651</u>	<u>\$ 9,417,590</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2012

	Balance October 1, 2011	Additions	Deletions	Balance September 30, 2012
Trust and Agency Fund (7010)				
Assets				
Cash and investments	\$ 11,370,898	\$ 175,353,225	\$ (181,377,095)	\$ 5,347,028
Accounts receivable	328,004	8,861,098	(5,756,890)	3,432,212
Total assets	\$ 11,698,902	\$ 184,214,323	\$ (187,133,985)	\$ 8,779,240
Liabilities				
Accounts payable	\$ 612,399	\$ 54,041,839	\$ (54,362,352)	\$ 291,886
Due to other governments	26,493	5,864,288	(5,580,005)	310,776
Undistributed current and delinquent taxes	10,533,264	52,808,454	(56,173,415)	7,168,303
Trust deposits	493,973	33,908,354	(33,524,129)	878,198
Unallocated receipts	32,773	37,591,388	(37,494,084)	130,077
Total liabilities	\$ 11,698,902	\$ 184,214,323	\$ (187,133,985)	\$ 8,779,240
Library Penal Fines (7210)				
Assets				
Cash and investments	\$ 68,106	\$ 263,834	\$ (268,260)	\$ 63,680
Accrued interest receivable	185	593	(680)	98
Total assets	\$ 68,291	\$ 264,427	\$ (268,940)	\$ 63,778
Liabilities				
Unallocated receipts	\$ 68,291	\$ 264,427	\$ (268,940)	\$ 63,778
Muskegon Central Dispatch 911 (7708)				
Assets				
Cash and investments	\$ 2,431,423	\$ 3,083,379	\$ (5,514,802)	\$ -
Accounts receivable	87,680	-	(87,680)	-
Accrued interest receivable	2,351	5,442	(7,793)	-
Prepays	30,046	-	(30,046)	-
Total assets	\$ 2,551,500	\$ 3,088,821	\$ (5,640,321)	\$ -
Liabilities				
Accounts payable	\$ 604,717	\$ 1,382,147	\$ (1,986,864)	\$ -
Accrued liabilities	70,633	-	(70,633)	-
Unallocated receipts	1,876,150	1,706,674	(3,582,824)	-
Total liabilities	\$ 2,551,500	\$ 3,088,821	\$ (5,640,321)	\$ -

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2012

	Balance October 1, 2011	Additions	Deletions	Balance September 30, 2012
Labor Management Program (7910)				
Assets				
Cash and investments	\$ 84,815	\$ 60,983	\$ (56,992)	\$ 88,806
Accrued interest receivable	88	383	(383)	88
Total assets	\$ 84,903	\$ 61,366	\$ (57,375)	\$ 88,894
Liabilities				
Accounts payable	\$ 2	\$ 39,729	\$ (39,057)	\$ 674
Accrued liabilities	274	321	(273)	322
Unallocated receipts	84,627	21,316	(18,045)	87,898
Total liabilities	\$ 84,903	\$ 61,366	\$ (57,375)	\$ 88,894
CMH Client Funds (7930)				
Assets				
Cash and investments	\$ 321,240	\$ 3,923,243	\$ (3,906,932)	\$ 337,551
Liabilities				
Accounts payable	\$ -	\$ 323,782	\$ (323,641)	\$ 141
Unallocated receipts	321,240	3,599,461	(3,583,291)	337,410
Total liabilities	\$ 321,240	\$ 3,923,243	\$ (3,906,932)	\$ 337,551
Muskegon Veterans Affairs (7940)				
Assets				
Cash and investments	\$ 114,449	\$ 346,304	\$ (349,378)	\$ 111,375
Accounts receivable	-	12,254	(12,254)	-
Accrued interest receivable	186	702	(739)	149
Due from other governments	-	952	-	952
Total assets	\$ 114,635	\$ 360,212	\$ (362,371)	\$ 112,476
Liabilities				
Accounts payable	\$ -	\$ 286,116	\$ (284,431)	\$ 1,685
Unallocated receipts	114,635	74,096	(77,940)	110,791
Total liabilities	\$ 114,635	\$ 360,212	\$ (362,371)	\$ 112,476

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2012

	Balance October 1, 2011	Additions	Deletions	Balance September 30, 2012
Orchard View (7982)				
Assets				
Cash and investments	\$ 35,455	\$ 169	\$ (8)	\$ 35,616
Accrued interest receivable	37	157	(159)	35
Total assets	\$ 35,492	\$ 326	\$ (167)	\$ 35,651
Liabilities				
Unallocated receipts	\$ 35,492	\$ 326	\$ (167)	\$ 35,651
Total All Agency Funds				
Assets				
Cash and investments	\$ 14,426,386	\$ 183,031,137	\$ (191,473,467)	\$ 5,984,056
Accounts receivable	415,684	8,873,352	(5,856,824)	3,432,212
Accrued interest receivable	2,847	7,277	(9,754)	370
Prepays	30,046	-	(30,046)	-
Due from other governments	-	952	-	952
Total assets	\$ 14,874,963	\$ 191,912,718	\$ (197,370,091)	\$ 9,417,590
Liabilities				
Accounts payable	\$ 1,217,118	\$ 56,073,613	\$ (56,996,345)	\$ 294,386
Due to other governments	26,493	5,864,288	(5,580,005)	310,776
Undistributed current and delinquent taxes	10,533,264	52,808,454	(56,173,415)	7,168,303
Trust deposits	493,973	33,908,354	(33,524,129)	878,198
Accrued liabilities	70,907	321	(70,906)	322
Unallocated receipts	2,533,208	43,257,688	(45,025,291)	765,605
Total liabilities	\$ 14,874,963	\$ 191,912,718	\$ (197,370,091)	\$ 9,417,590

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COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet

Drainage Districts Component Unit

September 30, 2012

	Governmental Funds		
	General Fund	Capital Projects	Total
Assets			
Cash and investments	\$ 353,760	\$ 12,900	\$ 366,660
Receivables:			
Accounts	35,000	-	35,000
Assessments	78,548	8,600	87,148
Interest	371	-	371
Total assets	\$ 467,679	\$ 21,500	\$ 489,179
Liabilities			
Accounts payable	\$ 53,378	\$ -	\$ 53,378
Accrued liabilities	1,364	-	1,364
Advances from primary government	-	21,500	21,500
Total liabilities	54,742	21,500	76,242
Fund balances			
Unassigned	412,937	-	412,937
Total liabilities and fund balances	\$ 467,679	\$ 21,500	\$ 489,179

COUNTY OF MUSKEGON, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
To Net Assets of Governmental Activities
Drainage Districts Component Unit
September 30, 2012

Fund balances - total governmental funds	\$ 412,937
Amounts reported for the <i>component unit</i> 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	<u>3,402,950</u>
Net assets of governmental activities	<u>\$ 3,815,887</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Drainage Districts Component Unit For the Year Ended September 30, 2012

	Governmental Funds		
	General Fund	Capital Projects	Total
Revenues			
Charges for services	\$ 168,921	\$ -	\$ 168,921
Investment earnings	1,699	-	1,699
Total revenues	170,620	-	170,620
Expenditures			
Current:			
General government	193,590	-	193,590
Change in fund balances	(22,970)	-	(22,970)
Fund balances, beginning of year	435,907	-	435,907
Fund balances, end of year	\$ 412,937	\$ -	\$ 412,937

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, 2012

Net change in fund balances - total governmental funds	\$ (22,970)
--	-------------

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	<u>(82,162)</u>
----------------------	-----------------

Change in net assets of governmental activities	<u><u>\$ (105,132)</u></u>
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STATISTICAL SECTION

Statistical Section

Page

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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These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

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Statistical Section

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COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule B-1

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Invested in capital assets, net of related debt	\$ 42,415	\$ 42,253	\$ 39,164	\$ 41,018	\$ 40,455	\$ 41,019	\$ 40,463	\$ 40,525	\$ 42,982	\$ 48,399
Restricted	7,444	16,160	21,604	18,876	12,686	16,845	11,339	5,900	3,594	4,031
Unrestricted	743	2,172	484	20,075	22,584	18,809	16,054	19,453	22,159	14,922
Total Governmental Activities Net Assets	\$ 50,602	\$ 60,585	\$ 61,252	\$ 79,969	\$ 75,725	\$ 76,673	\$ 67,856	\$ 65,878	\$ 68,735	\$ 67,352
Business-type Activities										
Invested in capital assets, net of related debt	\$ 83,729	\$ 84,950	\$ 85,437	\$ 91,214	\$ 91,214	\$ 97,018	\$ 117,230	\$ 105,750	\$ 101,923	\$ 100,796
Restricted	3,670	1,917	3,464	2,594	2,021	3,783	4,119	2,898	-	-
Unrestricted	23,261	24,873	23,576	18,720	21,087	25,696	13,846	22,415	25,546	26,164
Total Business-type Activities Net Assets	\$ 110,660	\$ 111,740	\$ 112,477	\$ 112,528	\$ 114,322	\$ 126,497	\$ 135,195	\$ 131,063	\$ 127,469	\$ 126,960
Primary Government										
Invested in capital assets, net of related debt	\$ 126,144	\$ 127,203	\$ 124,601	\$ 132,232	\$ 138,535	\$ 138,037	\$ 157,693	\$ 146,275	\$ 144,905	\$ 149,195
Restricted	11,114	18,077	25,068	21,470	14,707	20,628	15,458	8,798	3,594	4,031
Unrestricted	24,004	27,045	24,060	38,795	43,671	44,505	29,900	41,868	47,705	41,086
Total Primary Government Net Assets	\$ 161,262	\$ 172,325	\$ 173,729	\$ 192,497	\$ 196,913	\$ 203,170	\$ 203,051	\$ 196,941	\$ 196,204	\$ 194,312

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.

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule B-2

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands of dollars)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General county government	\$ 19,442	\$ 20,814	\$ 22,972	\$ 20,971	\$ 27,216	\$ 28,034	\$ 30,784	\$ 16,706	\$ 16,871	\$ 15,746
Judicial	7,463	7,704	7,801	8,173	8,333	8,437	8,531	8,649	8,443	8,299
Public safety	11,844	12,619	12,923	13,219	13,442	13,428	13,473	13,359	13,759	15,180
Health	112,286	103,018	103,897	109,598	113,300	108,059	113,687	102,097	105,761	104,068
Welfare	8,855	8,507	7,668	9,178	10,210	12,329	14,015	14,248	11,582	9,353
Other	3,378	3,279	3,247	2,983	2,199	2,661	2,774	1,849	3,249	3,980
Debt service expenses	1,185	1,114	1,162	1,242	1,007	875	736	692	721	684
Total governmental activities expense	164,453	157,055	159,670	165,364	175,707	173,823	184,000	157,600	160,386	157,310
Business-type activities:										
Local government public works financing	-	-	-	-	-	-	-	1,097	1,465	1,370
Solid Waste	3,267	3,988	794	3,526	3,600	1,325	3,757	4,319	3,428	2,308
Airport Operations	2,763	2,131	2,764	2,474	2,424	2,493	2,530	2,494	2,822	2,569
Regional Water System	920	377	358	693	2,381	3,169	4,554	3,133	3,036	2,961
Muskegon Area Transit System	3,360	3,115	3,217	3,384	3,294	3,288	3,314	4,034	4,156	4,260
Wastewater Management System	14,418	14,604	15,155	15,023	14,608	16,531	17,162	15,097	17,373	16,442
Brookhaven	-	-	-	-	-	-	-	15,333	17,253	15,441
Other proprietary funds	264	813	1,111	2,019	659	988	1,248	1,435	904	2,355
Total business-type activities expenses	24,992	25,028	23,399	27,119	26,966	27,794	32,565	46,942	50,437	47,706
Total primary government expenses	\$ 189,445	\$ 182,083	\$ 183,069	\$ 192,483	\$ 202,673	\$ 201,617	\$ 216,565	\$ 204,542	\$ 210,823	\$ 205,016
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 7,324	\$ 7,213	\$ 6,425	\$ 6,086	\$ 6,432	\$ 5,408	\$ 5,308	\$ 5,347	\$ 5,293	\$ 4,722
Judicial	2,507	2,929	2,919	2,949	3,277	2,996	2,716	2,596	3,714	2,604
Public safety	1,698	1,034	842	730	1,046	903	797	534	877	858
Health	85,638	78,776	74,835	72,247	76,698	84,614	83,648	3,870	3,714	3,581
Other activities	36	1,047	1,738	1,408	1,656	1,134	1,348	1,265	1,103	2,456
Operating grants and contributions	32,283	33,629	30,783	33,518	35,229	34,958	34,476	106,759	109,975	102,767
Capital grants and contributions	800	-	-	-	-	-	-	-	-	383
Total governmental activities program revenues	130,286	124,628	117,542	116,938	124,338	130,013	128,293	120,371	124,676	117,371

continued...

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule B-2

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands of dollars)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:										
Charges for services:										
Wastewater	\$ 10,656	\$ 12,796	\$ 12,281	\$ 12,640	\$ 13,832	\$ 15,970	\$ 13,816	\$ 12,043	\$ 13,816	\$ 16,466
Brookhaven	-	-	-	-	-	-	-	14,847	15,513	13,492
Other	6,362	4,401	6,521	7,618	8,700	9,117	12,366	11,898	13,136	11,870
Operating grants and contributions	2,416	4,904	2,828	2,982	5,215	6,111	4,116	1,809	3,622	1,305
Capital grants and contributions	3,348	3,201	2,380	2,323	5,829	734	10,165	1,227	1,065	5,377
Total business-type activities program revenues	<u>22,782</u>	<u>25,302</u>	<u>24,010</u>	<u>25,563</u>	<u>33,576</u>	<u>31,932</u>	<u>40,463</u>	<u>41,824</u>	<u>47,152</u>	<u>48,510</u>
Total primary government program revenues	<u>\$ 153,068</u>	<u>\$ 149,930</u>	<u>\$ 141,552</u>	<u>\$ 142,501</u>	<u>\$ 157,914</u>	<u>\$ 161,945</u>	<u>\$ 168,756</u>	<u>\$ 162,195</u>	<u>\$ 171,828</u>	<u>\$ 165,881</u>
Net (Expense)/Revenue										
Governmental activities	\$ (34,167)	\$ (32,427)	\$ (42,128)	\$ (48,426)	\$ (51,369)	\$ (43,810)	\$ (55,707)	\$ (37,229)	\$ (35,710)	\$ (39,939)
Business-type activities	(2,210)	274	611	(1,556)	6,610	4,138	7,898	(5,118)	(3,285)	804
Total primary government net expense	<u>\$ (36,377)</u>	<u>\$ (32,153)</u>	<u>\$ (41,517)</u>	<u>\$ (49,982)</u>	<u>\$ (44,759)</u>	<u>\$ (39,672)</u>	<u>\$ (47,809)</u>	<u>\$ (42,347)</u>	<u>\$ (38,995)</u>	<u>\$ (39,135)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property/Liquor/Lodging taxes	\$ 23,196	\$ 24,227	\$ 31,294	\$ 35,076	\$ 36,902	\$ 29,559	\$ 28,981	\$ 28,600	\$ 27,914	\$ 26,599
State shared revenue	2,827	2,282	-	-	-	-	-	192	3,601	2,728
Investment earnings	927	759	1,149	2,158	2,505	1,718	1,027	282	222	256
Other revenue and transfers	6,980	5,937	10,352	29,908	7,718	13,481	16,883	6,954	6,830	8,973
Total governmental activities	<u>33,930</u>	<u>33,205</u>	<u>42,795</u>	<u>67,142</u>	<u>47,125</u>	<u>44,758</u>	<u>46,891</u>	<u>36,028</u>	<u>38,567</u>	<u>38,556</u>
Business-type activities:										
Investment earnings	875	586	958	1,260	1,564	1,515	783	283	359	349
Other revenue and transfers	(44)	(191)	(833)	348	485	(344)	18	(882)	(668)	(2,835)
Total business-type activities	<u>831</u>	<u>395</u>	<u>125</u>	<u>1,608</u>	<u>2,049</u>	<u>1,171</u>	<u>801</u>	<u>(599)</u>	<u>(309)</u>	<u>(2,486)</u>
Total primary government	<u>\$ 34,761</u>	<u>\$ 33,600</u>	<u>\$ 42,920</u>	<u>\$ 68,750</u>	<u>\$ 49,174</u>	<u>\$ 45,929</u>	<u>\$ 47,692</u>	<u>\$ 35,429</u>	<u>\$ 38,258</u>	<u>\$ 36,070</u>
Change in Net Assets										
Governmental activities	\$ (237)	\$ 778	\$ 667	\$ 18,716	\$ (4,244)	\$ 948	\$ (8,816)	\$ (1,201)	\$ 2,857	\$ (1,383)
Business-type activities	(1,379)	669	736	52	8,659	5,309	8,699	(5,717)	(3,594)	(1,682)
Total primary government	<u>\$ (1,616)</u>	<u>\$ 1,447</u>	<u>\$ 1,403</u>	<u>\$ 18,768</u>	<u>\$ 4,415</u>	<u>\$ 6,257</u>	<u>\$ (117)</u>	<u>\$ (6,918)</u>	<u>\$ (737)</u>	<u>\$ (3,065)</u>

concluded

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

(Unaudited)
Schedule B-3

Fund Balances, Governmental Funds

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Reserved	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ -	\$ -
Unreserved	6,588	6,897	7,260	7,511	8,071	8,479	8,592	8,597	-	-
Nonspendable	-	-	-	-	-	-	-	-	2,914	2,738
Restricted	-	-	-	-	-	-	-	-	158	114
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	40
Unassigned	-	-	-	-	-	-	-	-	8,253	7,839
Total general fund	\$ 7,177	\$ 7,486	\$ 7,849	\$ 8,100	\$ 8,660	\$ 9,068	\$ 9,181	\$ 9,186	\$ 11,325	\$ 10,731
All Other Governmental Funds:										
Reserved	\$ 800	\$ 933	\$ 1,453	\$ 1,317	\$ 1,858	\$ 1,445	\$ 1,405	\$ 1,189	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	3,908	4,271	8,219	12,405	16,036	13,218	9,245	5,761	-	-
Debt Service Funds	1,713	1,541	1,761	1,585	1,801	2,024	2,685	986	-	-
Capital Projects Funds	3,201	3,451	5,404	14,026	7,661	11,113	8,103	5,402	-	-
Permanent Funds	59	54	53	53	51	50	47	47	-	-
Nonspendable	-	-	-	-	-	-	-	-	1,193	1,134
Restricted	-	-	-	-	-	-	-	-	3,846	4,005
Committed	-	-	-	-	-	-	-	-	351	335
Assigned	-	-	-	-	-	-	-	-	2,962	1,512
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 9,681	\$ 10,250	\$ 16,890	\$ 29,386	\$ 27,407	\$ 27,850	\$ 21,485	\$ 13,385	\$ 8,352	\$ 6,986
Total Fund Balance for Governmental Funds	\$ 16,858	\$ 17,736	\$ 24,739	\$ 37,486	\$ 36,067	\$ 36,918	\$ 30,666	\$ 22,571	\$ 19,677	\$ 17,717

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

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule B-4

Changes in Fund Balances, Governmental Funds

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 23,196	\$ 24,226	\$ 31,294	\$ 35,076	\$ 36,902	\$ 29,559	\$ 28,981	\$ 28,892	\$ 25,242	\$ 27,033
Operating grants and contributions	32,283	33,629	30,783	33,518	35,229	34,958	34,476	35,831	112,676	104,552
Charges for services	95,231	89,003	84,748	83,420	87,132	88,447	92,835	95,624	14,416	13,742
Other	9,119	8,105	9,284	8,627	8,734	8,302	12,646	8,947	9,441	7,248
Total revenues	159,829	154,963	156,109	160,641	167,997	161,266	168,938	169,294	161,775	152,575
Expenditures										
General county government	16,496	17,158	17,143	17,786	20,574	18,627	18,511	17,491	17,487	15,155
Judicial	7,420	7,663	7,758	8,136	8,294	8,410	8,503	8,636	8,578	8,075
Public safety	11,570	12,379	12,712	13,016	13,243	13,242	13,281	13,323	13,620	12,652
Health	110,357	101,563	100,254	109,301	112,990	107,987	113,626	114,349	105,454	102,830
Welfare	8,728	8,383	7,551	9,070	10,103	12,224	13,921	14,246	11,598	9,177
Other	3,158	3,047	3,017	2,598	1,987	2,453	2,569	2,142	2,941	4,063
Capital outlay	3,434	1,310	3,918	1,132	1,706	1,422	5,876	2,753	1,488	2,079
Debt service:										
Principal	2,140	2,040	2,285	6,460	1,540	1,715	11,475	4,160	1,470	1,375
Interest	1,130	1,039	1,074	1,242	864	873	736	691	739	669
Other	55	75	88	162	143	2	1	-	-	-
Total expenditures	164,488	154,657	155,800	168,903	171,444	166,955	188,499	177,791	163,375	156,075
Excess of revenues over (under) expenditures	(4,659)	306	309	(8,262)	(3,447)	(5,689)	(19,561)	(8,497)	(1,600)	(3,500)
Other Financing Sources (Uses)										
Proceeds from borrowing	-	-	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	14,681	11,410	15,249	15,506	17,066	16,136	17,594	16,388	13,774	13,092
Transfers out	(12,853)	(10,874)	(14,081)	(15,511)	(17,494)	(15,602)	(18,187)	(15,967)	(14,415)	(11,567)
Sale of capital assets	50	36	526	434	1,460	7	26	23	7	15
Total other financing sources (uses)	1,878	572	6,694	21,009	2,027	6,541	13,308	403	(492)	1,540
Net change in fund balances	\$ (2,781)	\$ 878	\$ 7,003	\$ 12,747	\$ (1,420)	\$ 852	\$ (6,253)	\$ (8,094)	\$ (2,092)	\$ (1,960)
Debt service as a percentage of noncapital expenditures	2.06%	2.07%	2.27%	4.72%	1.51%	1.57%	6.73%	2.98%	1.36%	1.33%

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
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
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
2012	24,593	910	1,095	26,598
Change 2003-2012	11.0%	17.9%	51.7%	12.5%

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
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		
2003	\$ 4,226	\$ 368	\$ 4,594	\$ 3,246	\$ 368	\$ 3,614	\$ 6.80	79
2004	4,469	371	4,840	3,425	371	3,796	6.80	78
2005	4,674	379	5,053	3,616	379	3,995	6.78	79
2006	4,917	377	5,294	3,860	377	4,237	6.76	80
2007	5,149	395	5,544	4,101	395	4,496	6.74	81
2008	5,255	414	5,669	4,233	414	4,647	6.70	82
2009	5,072	417	5,489	4,297	418	4,715	6.70	86
2010	4,798	422	5,220	4,142	422	4,564	6.70	87
2011	4,508	435	4,943	4,007	435	4,442	6.70	90
2012	4,289	457	4,746	3,883	457	4,340	6.70	91

Source: Muskegon County Equalization Department

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule C-3

Principal Property Tax Payers

Current Year and Nine Years Ago

(in thousands of dollars)

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	\$ 143,138	1	3.30 %	\$ 108,653	1	3.01 %
Alcoa Howmet	50,279	2	1.16	51,759	3	1.43
DTE Energy	29,954	3	0.69	20,938	6	0.58
Sun Chemical of Michigan LLC	21,664	4	0.50	26,632	5	0.74
Diversified Machine Montague Inc	19,906	5	0.46	29,636	4	0.82
Meijer Inc	19,248	6	0.44	—	—	—
Bayer CropScience	18,662	7	0.43	—	—	—
L3 Communications Corp	18,022	8	0.42	—	—	—
THF Fruitport Development LP	16,054	9	0.37	18,003	7	0.50
The Lakes Mall LLC	14,378	10	0.33	—	—	—
Sappi Inc	—	—	—	56,528	2	1.56
Cannon Muskegon Group	—	—	—	12,343	8	0.34
General Dynamics Inc	—	—	—	12,540	9	0.35
Johnson Technology Inc	—	—	—	11,896	10	0.33
Total	<u>\$ 351,305</u>		<u>8.10 %</u>	<u>\$ 348,928</u>		<u>9.66 %</u>

Source: Muskegon County Equalization Department

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
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	
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
2012	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

(Unaudited)
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
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	1,598,722	25,599,033	100.0
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
2012	24,477,289	17,350,129	70.9	N/A	N/A	N/A

Source: Muskegon County Treasurer's Office

N/A = Information not available

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
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)
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	2.54	714.93
2009	7,725	—	12,345	72,449	33,990	14,500	141,009	3.00	816.24
2010	13,910	—	10,870	89,542	31,020	14,500	159,842	3.29	928.87
2011	12,875	\$ 95	10,685	87,055	30,035	15,500	156,245	3.06	912.10
2012	11,510	2,104	10,415	82,718	28,965	16,000	151,712	2.98	885.64

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

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		
2003	\$ 14,750	\$ 10,760	\$ 25,510	0.71	\$ 148.08
2004	13,890	10,120	24,010	0.66	139.38
2005	12,980	9,370	22,350	0.59	129.36
2006	12,205	8,615	20,820	0.52	119.93
2007	11,355	7,850	19,205	0.45	110.56
2008	10,430	7,035	17,465	0.39	100.52
2009	7,725	11,315	19,040	0.41	109.52
2010	13,910	10,870	24,780	0.53	143.44
2011	12,875	10,685	23,560	0.52	136.92
2012	11,510	10,415	21,925	0.51	127.99

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.

Direct and Overlapping Governmental Activities Debt
As of September 30, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping debt:			
School Districts (K-12)	\$ 646,052,658		\$ 409,487,600
Cities, Villages, and Townships	80,340,000		80,340,000
Muskegon Community College	13,230,000		13,230,000
White Lake Community Library	875,000		875,000
Ottawa Area Intermediate School District	5,065,000		66,352
Subtotal, overlapping debt			<u>503,998,952</u>
County direct debt, governmental activities			<u>24,028,937</u>
Total direct and overlapping debt			<u><u>\$ 528,027,889</u></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

(Unaudited)
Schedule D-4

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value (000s)	\$4,746,485
Debt limit percentage	10%
Debt limit (10% of SEV)	<u>\$ 474,649</u>
Debt applicable to limit:	
General obligation bonds (1)	11,510
Other debt	2,104
Building authority bonds (2)	10,415
Revenue bonds	82,718
Local Govt Public Works Finance	28,965
Delinquent tax notes	<u>16,000</u>
Total net debt applicable to limit	<u>151,712</u>
Legal debt margin	<u>\$ 322,937</u>

		Fiscal Year									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	(a)	\$ 459,402	\$ 484,014	\$ 505,360	\$ 529,516	\$ 554,383	\$ 566,879	\$ 548,943	\$ 522,120	\$ 494,300	\$ 474,649
Total net debt applicable to limit	(b)	<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>	<u>151,712</u>
Legal debt margin available	(a-b)	<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>	<u>\$ 322,937</u>
Total net debt applicable to limit as a percentage of debt limit	(b/a)	11.92%	10.64%	9.80%	15.45%	18.03%	18.49%	24.55%	26.91%	31.61%	31.96%
County net debt limit as a percentage of total State Equalized Value (1)		1.19%	1.06%	0.98%	1.55%	1.80%	1.85%	2.46%	2.69%	3.16%	3.20%

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

(Unaudited)
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)									
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
2012	5,351	—	5,351	3,825	1,991	109	2,333	1,070	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

(Unaudited)
Schedule E-1

Principal Employers

Current Year and Nine Years Ago

Employer	2012			2003		
	Employees (1)	Rank	Percentage of Total County Employment (2)	Employees (3)	Rank	Percentage of Total County Employment (3)
Mercy Health Partners	3,657	1	5.2 %	3,700 (4)	1/3	4.4
Alcoa Howmet	2,100	2	3.0	1,900	2	2.3
County of Muskegon	1,108	3	1.6	1,300	4	1.6
Muskegon Public Schools	915	4	1.3	—		—
Meijer	866	5	1.2	1,100	5	1.3
ADAC Automotive	500	6	0.7	—		—
Knoll Furniture	573	9	0.8	—		—
GE Aviation	553	7	0.8	—		—
Port City Group	493	8	0.7	—		—
Wesco	395	10	0.6	—		—
Hayes Lemmerz International	—		—	640	6	0.8
Dana Corporation	—		—	550	7	0.7
Sappi Inc	—		—	550	8	0.7
Johnson Technology Inc	—		—	510	9	0.6
General Dynamics Land Systems	—		—	500	10	0.6
Total	11,160		16.0 %	10,750		12.9 %

(1) Source: Muskegon Area First

(2) Source: U.S. Census Bureau

(3) Source: Muskegon County 2003 Comprehensive Annual Financial Report

(4) In 2003 the largest employer was Mercy General Health Partners with 2400 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

(Unaudited)
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
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	1,898,789	28,233	35.5	30,713	8.6
2009	172,755	4,705,478	27,984	35.5	30,977	14.4
2010	172,083	4,864,950	28,271	38.2	30,021	13.4
2011	171,302	5,099,031	29,766	38.2	29,243	10.2

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

(Unaudited)
Schedule F-1

County Government Employee Count by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Legislative										
Board of Commissioners	11	11	11	11	11	11	11	11	11	11
General Government										
Administration	9	9	9	9	9	9	8	9	4	6
Corporate Counsel	3	3	3	-	-	-	-	-	-	-
County Clerk/Circuit Court Records	14	14	14	14	15	15	15	15	14	14
Prosecutor's Office	38	36	36	35	35	34	33	32	31	32
Treasurer's Office	10	10	10	10	10	10	10	10	9	9
Equalization	23	22	22	22	22	25	24	24	23	20
Register of Deeds	9	9	9	9	9	9	9	9	8	8
Drain Commissioner	5	5	5	5	5	5	4	4	4	6
Accounting/Budget	12	11	11	10	10	9	9	9	10	7
Human Resources	6	5	5	5	5	5	6	6	3	3
Purchasing	4	4	4	4	4	4	3	3	3	3
Office Services	4	5	5	5	3	3	3	3	3	2
Information Systems	11	8	8	8	8	8	8	8	8	7
Risk Management	8	8	8	8	8	8	9	9	8	8
Facilities Management	22	14	14	14	16	18	16	16	15	15
Judicial										
Circuit Court	19	19	19	23	24	22	22	22	22	23
District Court	58	60	60	63	63	63	63	64	65	64
Family Court	81	86	80	82	80	78	80	81	69	66
Probate Court	7	7	7	7	7	7	7	7	7	7
Public safety										
Sheriff	132	132	134	135	137	135	134	135	134	125
Courtroom Security	-	-	-	10	8	9	8	8	8	8
Community Corrections	8	8	8	8	5	8	8	8	5	6
Emergency Services	3	3	2	3	2	2	2	2	2	2

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-1

County Government Employee Count by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Health										
Public Health	87	79	81	85	85	86	87	87	81	83
Mental Health	324	328	323	327	329	333	341	346	342	350
Brookhaven Medical Care	244	239	239	239	242	274	270	268	269	269
Water system	-	-	-	2	2	2	2	2	3	3
Wastewater	81	81	65	59	57	57	57	57	54	52
Solid Waste	15	15	15	14	14	13	14	13	14	14
Welfare										
Child Haven	16	16	16	16	16	16	16	16	16	16
Juvenile Detention Center	26	27	27	27	27	27	27	27	29	36
Workforce Development	22	21	21	22	23	23	23	24	12	14
Cultural										
MSU Cooperative Extension	2	1	1	1	1	1	1	1	1	1
District Library	42	41	41	27	39	-	-	-	-	-
Parks and Recreation										
County Parks	22	22	22	22	22	22	22	22	22	22
Convention/Visitor's Bureau	4	5	6	7	7	7	8	8	6	6
Airport	20	15	15	14	13	13	12	13	12	13
Transit	46	46	46	47	46	46	46	46	54	55
Total	1,448	1,425	1,402	1,409	1,419	1,417	1,418	1,425	1,382	1,386

Source: Muskegon County Budget Office

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-2

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety Police										
Bookings	9,049	9,343	9,815	10,343	11,083	10,475	9,567	8,743	8,436	8,654
Traffic Stops	4,283	3,521	3,087	2,447	2,836	2,025	2,135	1,964	2,147	3,160
Verbal Warnings	1,892	1,706	1,683	1,100	1,082	1,421	1,747	2,130	2,419	2,788
Citations	4,329	2,851	2,491	2,039	2,460	2,082	1,393	1,721	1,377	1,299
Public Safety-Corrections										
Average Daily Jail Population	423	433	412	414	409	403	401	403	401	407
Avg Population as Pct of Capacity	114%	117%	111%	112%	111%	109%	108%	109%	108%	110%
Sanitation										
Refuse collected (tons)	67,573	61,256	88,971	126,994	125,775	147,484	104,984	128,850	137,467	102,729
Recyclables collected (tons)	69	77	66	39	22	16	18	79	65	63
Water										
New connections	941	995	1,033	106	152	91	70	194	61	60
Average daily consumption (thousands of gallons)	380	374	483	406	680	560	1,108	520	1,195	1,216
Wastewater										
Average daily sewer treatment (million gallons)	25	26	23	20	20	20	16	13	12	12
District Court										
Cases filed	45,766	43,554	44,573	45,275	48,304	47,631	42,527	39,993	34,796	36,868
Cases disposed	51,708	51,932	46,915	45,036	48,431	47,584	45,331	40,937	39,045	40,789
Cases pending	8,083	5,800	6,183	6,607	6,450	7,036	4,571	13,915	4,609	5,210
Airport										
Total landings / take-offs	NP	61,243	63,876	56,743	53,852	62,538	58,137	47,373	37,017	34,599
Passengers	NP	64,819	72,134	68,811	63,651	63,957	35,119	27,362	27,711	37,724
Transit										
Total Vehicle Miles	573,918	570,726	581,368	576,018	569,060	547,048	534,484	595,223	695,211	790,430
Total Revenue Miles	556,846	504,545	541,758	553,740	554,256	513,873	530,039	595,217	676,887	713,705
Total Passengers	408,144	424,217	437,815	493,631	529,377	611,162	617,828	641,416	739,283	719,908

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

Note: NP = Not Provided

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-3

Capital Asset Statistics by Function / Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety-Sheriff										
Patrol Units	27	28	25	25	24	24	25	25	30	27
Public Safety-Corrections										
Jail Capacity	370	370	370	370	370	370	370	370	370	370
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	263	263	263	278	278	278	278	278	278
Maximum Daily Treatment Capacity (millions of gallons)	43	43	43	43	42	42	42	42	42	42
Airport										
Capacity (thousand of passengers)	143	119	129	129	118	91	66	63	70	73
Transit										
Number of Buses	18	15	15	18	22	22	17	17	21	24
Solid Waste										
Total Capacity (thousand cubic yards)	2,654	3,100	3,100	3,100	3,778	3,778	3,778	3,778	3,778	3,778
Remaining Capacity (thousand cubic yards)	2,575	2,462	2,362	2,214	2,099	1,952	1,816	1,695	1,596	1,517
Remaining Capacity (percent of total)	97.0%	79.4%	76.2%	71.4%	55.6%	51.7%	48.1%	44.9%	42.2%	40.2%

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)

Muskegon Area Transit System Fund

Schedule 2

Schedule of Expenditures of State and Federal Awards

For the Year Ended September 30, 2012

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	90-0388	\$1,707,054	\$ 266,146	\$ 266,146	\$ -	\$ -	\$ 1,440,908	\$ -
Capital assistance - section 5307	20.507	90-0407	1,968,161	43,725	43,725	-	-	1,688,961	235,475
Capital assistance - section 5307	20.507	90-0497	1,508,469	79,434	79,434	-	-	1,429,035	-
Capital assistance - section 5307	20.507	90-0558	1,456,745	23,827	23,827	-	-	1,408,030	24,888
Capital assistance - section 5307	20.507	90-0624	1,535,560	606,600	606,600	-	-	928,960	-
Capital assistance - section 5307	20.507	90-0636	1,535,560	459,887	459,887	-	-	200,000	875,673
Capital grant - section 5309 - capital assistance	20.500	03-0228	485,888	4,244	4,244	-	-	203,491	278,153
Capital grant - section 5309 - bus replacement	20.500	04-0068	427,500	427,500	427,500	-	-	-	-
Capital grant - section 5309 - facility development	20.500	04-0069	451,440	18,352	18,352	-	-	2,083	431,005
Capital grant - CMAQ capital assistance	20.507	95-0055	411,822	345,724	345,724	-	-	45,627	20,471
ARRA Capital grant - bus equipment replacement	20.507	96-0010	2,043,050	1,070,133	1,070,133	-	-	733,349	239,568
Passed through Michigan Department of Transportation									
FTA/MDOT Section 5317 New Freedom Mobility Mgt	20.507	12-0138/P001	200,000	97,060	97,060	-	-	-	102,940
FTA/MDOT Section 5317 New Freedom	20.507	07-0264/Z16	540,000	-	-	-	-	100,000	440,000
Total U.S. Department of Transportation				3,442,632	3,442,632	-	-	8,180,444	2,648,173
Michigan Department of Transportation									
Operating Assistance - formula funding	N/A	FY12	772,726	772,726	-	772,726	-	-	-
FY2005 Architecture and Engineering Match Funds - 20%	N/A	07-0264/Z2	121,472	1,061	-	1,061	-	50,873	69,538
FY2009 CMAQ Small Bus Match Funds - 20%	N/A	02-0072/Z17	75,000	75,000	-	75,000	-	-	-
FY2011/12 Preventative Maintenance Match - 20%	N/A	07-0264/Z20	110,000	34,131	-	34,131	-	50,000	25,869
FY2009 Section 5309 replacement buses	N/A	07-0264/Z21	106,875	106,875	-	106,875	-	-	-
FY2009 Architecture and Engineering Match Funds - 20%	N/A	07-0264/Z22	112,860	4,588	-	4,588	-	521	107,751
Specialized services	N/A	12-0138/P002	81,873	81,873	-	81,873	-	-	-
Total Michigan Department of Transportation				1,076,254	-	1,076,254	-	101,394	203,158
Total Expenditures of Federal and State Awards				\$ 4,518,886	\$ 3,442,632	\$ 1,076,254	\$ -	\$ 8,281,838	\$2,851,331

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)

Muskegon Area Transit System Fund

Schedule 4E

Urban Regular Service Expense Report

For the Year Ended September 30, 2012

	Operations	Maintenance	General Administration	Total System
Operating expenses				
Labor				
Salaries and wages - operators	\$ 1,163,656	\$ -	\$ -	\$ 1,163,656
Salaries and wages - other	-	136,390	287,493	423,883
Fringe benefits	441,460	65,297	102,674	609,431
Pension	84,769	12,890	45,802	143,461
Services				
Advertising	-	-	44,121	44,121
Audit	-	-	5,806	5,806
Other services	-	3,814	8,298	12,112
Materials and supplies				
Fuel	386,734	-	-	386,734
Tires and tubes	35,182	-	-	35,182
Major purchases	-	-	4,261	4,261
Other materials and supplies	11,540	259,237	56,301	327,078
Casualty and liability costs				
Liability insurance	147,796	-	-	147,796
Other insurance	-	-	18,136	18,136
Utilities	-	90,203	21,233	111,436
Miscellaneous				
Travel, meetings and training	-	-	2,473	2,473
Association dues and subscriptions	-	-	8,354	8,354
Other	20	-	1,679	1,699
Equipment leases	-	-	989	989
Depreciation	623,346	-	60	623,406
Total operating expenses	2,894,503	567,831	607,680	4,070,014

continued...

Muskegon Area Transit System Fund
 Schedule 4E
 Urban Regular Service Expense Report
 For the Year Ended September 30, 2012

	Operations	Maintenance	General Administration	Total System
Ineligible expenses				
Ineligible alternative fuel rebate	\$ 14,531	\$ -	\$ -	\$ 14,531
Ineligible depreciation	623,346	-	-	623,346
Ineligible bad debt expense	20	-	-	20
Ineligible portion of association dues	-	-	1,034	1,034
Ineligible preventive maintenance	39,808	407,458	-	447,266
Ineligible new freedom grant	-	-	97,060	97,060
Administrative expense paid by capital contract	-	-	68,663	68,663
New service CMAQ - federal 80% - linehaul	237,742	-	-	237,742
New service CMAQ - federal 80% - Go Bus	72,129	-	-	72,129
Total ineligible expenses	<u>987,576</u>	<u>407,458</u>	<u>166,757</u>	<u>1,561,791</u>
Total eligible expenses				<u><u>\$ 2,508,223</u></u>
Operating expenses per above				\$ 4,070,014
Specialized services				81,873
Bus shelters				79,434
Local capital items				<u>29,132</u>
Operating expenses per Statement of Revenues, Expenses, and Changes in Fund Net Assets				<u><u>\$ 4,260,453</u></u>

concluded

Muskegon Area Transit System Fund

Schedule 4N

Urban Regular Service Nonfinancial Report

For the Year Ended September 30, 2012

	Miles	Hours
Linehaul		
First Quarter	136,562	10,020
Second Quarter	137,594	10,098
Third Quarter	141,460	10,415
Fourth Quarter	144,358	10,655
	<u>559,974</u>	<u>41,188</u>
Demand response		
First Quarter	43,556	2,692
Second Quarter	45,302	3,246
Third Quarter	46,367	3,263
Fourth Quarter	56,747	3,510
	<u>191,972</u>	<u>12,711</u>
Total operations	<u><u>751,946</u></u>	<u><u>53,899</u></u>

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.

Muskegon Area Transit System Fund

Schedule 4R

Urban Regular Service Revenue Report

For the Year Ended September 30, 2012

	Linehaul	Demand Response	Total
Passenger fares	\$ 528,028	\$ 55,501	\$ 583,529
Concessions	2,290	-	2,290
Advertising	8,480	-	8,480
Greyhound commissions	40,136	-	40,136
Building rental	425	-	425
Other nontransit revenue	1,199	-	1,199
Alternative fuel reimbursement	14,531	-	14,531
Local operating assistance	132,167	-	132,167
	<u>727,256</u>	<u>55,501</u>	<u>782,757</u>
State Cash Grants/Reimbursements			
FY2012 Formula Funding	679,651	93,075	772,726
FY2005 Architecture and Engineering Match Funds - 2007-0264/Z2	1,061	-	1,061
FY2009 CMAQ Small Bus Match Funds - 2007-0264/Z17	75,000	-	75,000
FY2011/12 Preventative Maintenance Match - 2007-0264/Z20	34,131	-	34,131
FY2009 Section 5309 replacement buses - 2007-0264/Z21	106,875	-	106,875
FY2009 Architecture and Engineering Match Funds - 2007-0264/Z22	4,588	-	4,588
Specialized services	81,873	-	81,873
	<u>983,179</u>	<u>93,075</u>	<u>1,076,254</u>
Federal Cash Grants/Reimbursements			
FY2002 Section 5307 Operating Assistance - MI-90-x388	266,146	-	266,146
FY2003 Section 5307 Operating Assistance - MI-90-x407	43,725	-	43,725
FY2006 Section 5307 Operating Assistance - MI-90-x497	79,434	-	79,434
FY2008 Section 5307 Operating Assistance - MI-90-x558	23,827	-	23,827
FY2010 Section 5307 Operating Assistance - MI-90-x624	419,402	187,198	606,600
FY2012 Section 5307 Operating Assistance - MI-90-x636	459,887	-	459,887
Capital grant Section 5309 Capital Assistance - MI-03-0228	4,244	-	4,244
FY2009 Section 5309 Bus Replacement - MI-04-0068	427,500	-	427,500
FY2009 Section 5309 Facility Development - MI-04-0069	18,352	-	18,352
FY2010 CMAQ Capital Assistance - MI-95-x055	345,724	-	345,724
Repl (7) 35' buses, PM, support & fb equip - MI-96-x010	1,070,133	-	1,070,133
FY2012 Section 5317 New Freedom Mobility Mgmt - 12-0138/P002	97,060	-	97,060
	<u>3,255,434</u>	<u>187,198</u>	<u>3,442,632</u>

continued...

Muskegon Area Transit System Fund
 Schedule 4R
 Urban Regular Service Revenue Report
 For the Year Ended September 30, 2012

	Linehaul	Demand Response	Total
Other revenue			
Interest income	\$ 383	\$ -	\$ 383
Total revenues	<u>\$ 4,966,252</u>	<u>\$ 335,774</u>	<u>\$ 5,302,026</u>

concluded

Other nonoperating revenue above includes gains from sales of capital assets of \$1,024, reimbursements of \$174.

Muskegon Area Transit System Fund

Schedule 5
 Operating Assistance Calculation
 For the Year Ended September 30, 2012

State eligible expenses	
Labor	\$ 1,587,539
Fringe benefits	609,431
Pension	143,461
Advertising and other service	56,233
Audit	5,806
Materials and supplies	753,255
Casualty and liability costs	147,796
Other insurance	18,136
Utilities	111,436
Miscellaneous	12,526
Interest expense	989
Depreciation	<u>623,406</u>
Total expenses	<u>4,070,014</u>
Less ineligible expenses	
Ineligible alternative fuel rebate	14,531
Ineligible depreciation	623,346
Ineligible bad debt expense	20
Ineligible portion of association dues	1,034
Ineligible preventive maintenance	447,266
Ineligible new freedom grant	97,060
Administrative expense paid by capital contract	68,663
New service CMAQ - federal	237,742
New service - local	<u>72,129</u>
Total ineligible expenses	<u>1,561,791</u>
State eligible expenses	<u>\$ 2,508,223</u>
State operating assistance - 30.6498%	<u>\$ 768,765</u>

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

Pension expenses above include only amounts actually paid. No other post employment benefits costs were charged to the transit fund.