

County of
Muskegon,
Michigan



Year Ended
September 30,
2013

Comprehensive
Annual Financial
Report





County of Muskegon, Michigan

Comprehensive Annual Financial Report
For the Year Ended September 30, 2013

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

*Heath Kaplan
Director of Finance and Management Services*

*Dwight D. Avery, CPA, CCM, CGFM
Accounting Manager*

COUNTY OF MUSKEGON, MICHIGAN

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	1
Principal Officials	2
Letter of Transmittal	3
Table of Organization	6
GFOA Certificate of Achievement	7
FINANCIAL SECTION	9
Independent Auditors' Report	11
Management's Discussion and Analysis	15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	24
Statement of Activities	26
Fund Financial Statements:	
Balance Sheet - Governmental Funds	28
Reconciliation of Fund Balances for Governmental Funds to Net Position of Governmental Activities	29
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	30
Reconciliation of Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	31
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
General Fund	32
Community Mental Health Special Revenue Fund	33
Statement of Net Position - Proprietary Funds	34
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	40
Statement of Fiduciary Net Position	44
Statement of Changes in Fiduciary Net Position	45
Combining Statement of Net Position - Discretely Presented Component Units	46
Combining Statement of Activities - Discretely Presented Component Units	47
Notes to Financial Statements	49
Required Supplementary Information:	
Schedule of Funding Progress - Employees' Retirement Plan	86
Schedule of Employer Contributions - Employees' Retirement Plan	86
Schedule of Funding Progress - Other Postemployment Benefit Plan	87
Schedule of Employer Contributions - Other Postemployment Benefit Plan	87

COUNTY OF MUSKEGON, MICHIGAN

Table of Contents

	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules	
General Fund:	
Schedule of Expenditures by Department - Budget and Actual	90
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	108
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds	116
Nonmajor Enterprise Funds:	
Combining Statement of Net Position - Nonmajor Enterprise Funds	138
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Nonmajor Enterprise Funds	140
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	142
Internal Service Funds:	
Combining Statement of Net Position - Internal Service Funds	148
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	150
Combining Statement of Cash Flows - Internal Service Funds	152
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds	156
Combining Statement of Changes in Assets and Liabilities - Agency Funds	158
Component Units:	
Combining Governmental Funds Balance Sheet/Statement of Net Position - Drainage Districts Component Unit	160
Combining Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Drainage Districts Component Unit	162

COUNTY OF MUSKEGON, MICHIGAN

Table of Contents

	<u>Page</u>	
STATISTICAL SECTION (UNAUDITED)		
<u>TABLE</u>		
B-1	Net Position by Component	169
B-2	Changes in Net Position	170
B-3	Fund Balances, Governmental Funds	172
B-4	Changes in Fund Balances, Governmental Funds	173
C-1	Tax Revenues by Source, Governmental Funds	174
C-2	Assessed and Taxable Value of Taxable Property	175
C-3	Principal Property Tax Payers	176
C-4	Direct and Overlapping Property Tax Rates	177
C-5	Property Tax Levies and Collections	178
D-1	Ratio of Outstanding Debt by Type	179
D-2	Ratios of General Bonded Debt Outstanding	180
D-3	Direct and Overlapping Governmental Activities Debt	181
D-4	Legal Debt Margin Information	182
D-5	Pledged-Revenue Coverage	183
E-1	Principal Employers	184
E-2	Demographic and Economic Statistics	185
F-1	County Government Employees by Function/Program	186
F-2	Operating Indicators by Function/Program	188
F-3	Capital Asset Statistics by Function/Program	189
Muskegon Area Transit System		
	Schedule 2 - Schedule of Expenditures of State and Federal Awards	190
	Schedule 4E - Urban Regular Service Expense Report	191
	Schedule 4N - Urban Regular Service Nonfinancial Report	193
	Schedule 4R - Urban Regular Service Revenue Report	194
	Schedule 5- Operating Assistance Calculation	196
	Schedule 6- Annual OPEB Cost and Net OPEB Obligation Schedule	198

INTRODUCTORY SECTION

COUNTY OF MUSKEGON, MICHIGAN

Principal Officials

For the Year Ended September 30, 2013

BOARD OF COMMISSIONERS

Kenneth D. Mahoney, Chair (District 9)
Rillastine R. Wilkins, Vice Chair (District 1)
Benjamin E. Cross (District 2)
Susan Hughes (District 3)
Robert N. Scolnik (District 4)
Marvin R. Engle (District 5)
Charles T. Nash (District 6)
James J. Derezinski (District 7)
Terry J. Sabo (District 8)

JUDICIARY

14th Circuit Court Judges

William C. Marietti*, Chief Judge
Timothy G. Hicks, Pro-Tem
Kathy L. Hoogstra*
Annette R. Smedley*

* 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, Chief Judge
Gregory C. Pittman*

OTHER ELECTED OFFICIALS

Dean C. Roesler
County Sheriff

Tony Moulatsiotis
County Treasurer

D.J. Hilson
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 27, 2014

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 the County of Muskegon, Michigan for the fiscal year ended September 30, 2013.

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, 2013, 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, 2013, 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 US 31 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 eight 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 Board of Commissioners. The Board of Commissioners 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, 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 Authority 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, and rail service. These transportation systems provide local manufacturers with access to regional, national and international markets. Significant employers located within the County include 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 Michigan's largest amusement park, as well as miles of Lake Michigan frontage.

Muskegon County officials were aware that the County was not immune to the economic decline at the national and state levels that had begun near the end of the previous decade. County leaders had planned well for fluctuations in the economy by ensuring that an adequate rainy day fund was set aside. To date, this budget stabilization fund has not been utilized but savings have been realized through position vacancies, cutting costs, taking advantage of grant opportunities, and streamlining processes as a part of normal business practice.

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 and administers 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.

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 upgrades of the Enterprise Resource Planning software (ERP) are nearly complete.

Muskegon County has issued bonded debt for water, wastewater, equipment and facility infrastructure. Approximately \$27.8 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 are accounted for as liabilities of the County and leases receivable from the applicable local governments. The County is in compliance with all requirements of outstanding debt.

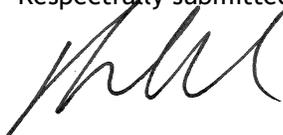
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Muskegon County for its comprehensive annual financial reporting for the fiscal year ended September 30, 2012. This was the 35th 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, 2013.

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 independent auditors. 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 Management Services Director



Dwight D. Avery, CPA, CCM, CCFM
Accounting Manager



Government Finance Officers Association

**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, 2012

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

March 27, 2014

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

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 94 percent, respectively, of the assets, net position, 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 8 percent, 1 percent, and 57 percent, respectively, of the assets, net position, 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 from material misstatement. The financial statements of the Muskegon County Road Commission were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Muskegon, Michigan as of September 30, 2013, 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.

Other Matters

Required Supplementary Information

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.

Other Information

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.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual fund financial statements and schedules are 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2014, 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* in considering the County's internal control over financial reporting and compliance.

Rehmann Lobson LLC



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, 2013. 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 position decreased about \$5.6 million (-2.9%) as a result of this year's operations. Net position of governmental activities decreased by about \$0.5 million (-0.7%) and net position of business-type activities decreased by approximately \$5.1 million (-4.0%) following a \$6.0 million transfer from the Delinquent Tax Revolving Fund (business-type) to the Jail Building Fund (governmental).
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$19.9 million, an increase of nearly \$2.1 million in comparison with the prior year. Approximately \$7.2 million (36.3 percent) of this governmental funds total amount is unassigned fund balance in the General Fund.
- Capital assets related to governmental activities increased by \$3.0 million to \$75.2 million. \$2.7 million of this was the current year spending to finish a multi-year project to upgrade technology equipment, software and infrastructure.
- The only borrowing during the year was \$12 million in delinquent tax anticipation notes (DTANs).

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 position presents information on all of the County's assets, deferred outflows of resources and liabilities, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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, 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.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a 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. 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 other 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.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

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.

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 Position. As noted earlier, net position may serve over time as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities by \$188.5 million at the close of the most recent fiscal year. The following chart illustrates the composition of net position at September 30.

	NET POSITION (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current and other assets	\$ 40.6	\$ 46.3	\$ 84.9	\$ 90.0	\$ 125.5	\$ 136.3
Capital assets, net	75.2	72.2	177.7	184.0	252.9	256.2
Total assets	115.8	118.5	262.6	274.0	378.4	392.5
DEFERRED OUTFLOWS OF RESOURCES	0.1	0.2	-	-	0.1	0.2
LIABILITIES						
Long-term liabilities	28.2	31.0	137.4	143.1	165.6	174.1
Other liabilities	20.9	20.4	3.5	4.1	24.4	24.5
Total liabilities	49.1	51.4	140.9	147.2	190.0	198.6
NET POSITION						
Net investment in capital assets	53.9	48.4	98.9	100.8	152.8	149.2
Restricted	3.6	4.0	-	-	3.6	4.0
Unrestricted	9.3	14.9	22.8	26.0	32.1	40.9
Total net position	\$ 66.8	\$ 67.3	\$ 121.7	\$ 126.8	\$ 188.5	\$ 194.1

By far the largest portion of the County's net position in the amount of 81% 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 position 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 position in the amount of \$32.1 million or 17%, 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 position, 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, 2013, was approximately \$203.4 million while total cost of all programs and services was \$209.0 million. This results in a decrease in net position of \$5.6 million. The following table presents a summary of the changes in net position for the years ended September 30:

	CHANGES IN NET POSITION (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
REVENUES						
Program revenues:						
Charges for services	\$ 88.3	\$ 14.2	\$ 44.5	\$ 41.8	\$ 132.8	\$ 56.0
Operating grants	29.7	102.8	2.0	1.3	31.7	104.1
Capital grants	0.7	0.4	3.4	5.4	4.1	5.8
General revenues:						
Property taxes	24.6	24.6	-	-	24.6	24.6
Other taxes	2.2	2.0	-	-	2.2	2.0
State shared revenue	2.7	2.7	-	-	2.7	2.7
Other	5.3	6.3	-	0.5	5.3	6.8
Total revenues	153.5	153.0	49.9	49.0	203.4	202.0
PROGRAM EXPENSES						
General government	17.1	16.4	-	-	17.1	16.4
Legislative	0.4	0.4	-	-	0.4	0.4
Judicial	8.4	7.7	-	-	8.4	7.7
Public safety	18.3	15.2	-	-	18.3	15.2
Health	106.4	104.1	-	-	106.4	104.1
Welfare	8.2	9.3	-	-	8.2	9.3
Cultural	0.3	0.2	-	-	0.3	0.2
Recreation	1.0	0.9	-	-	1.0	0.9
Other	-	2.5	-	-	-	2.5
Interest	1.1	0.7	-	-	1.1	0.7
Local govt public works financing	-	-	1.3	1.4	1.3	1.4
Airport operations	-	-	3.0	2.6	3.0	2.6
Regional water	-	-	3.2	3.0	3.2	3.0
Wastewater	-	-	16.6	16.4	16.6	16.4
Brookhaven	-	-	15.2	15.4	15.2	15.4
Other enterprise funds	-	-	8.5	8.9	8.5	8.9
Total program expenses	161.2	157.4	47.8	47.7	209.0	205.1
Increase (decrease) before transfers	(7.7)	(4.4)	2.1	1.3	(5.6)	(3.1)
Transfers	7.2	3.0	(7.2)	(3.0)	-	-
Increase (decrease) in net position	\$ (0.5)	\$ (1.4)	\$ (5.1)	\$ (1.7)	\$ (5.6)	\$ (3.1)

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

Governmental Activities. The preceding table shows that the governmental activities decreased the County's net position by approximately \$0.5 million during this fiscal year. The decrease is the result of budgetary decisions, internal service fund market to market losses, capital asset purchases and depreciation expense.

The significant fluctuation in the governmental activities general government, public safety and other functions is primarily the result of the other function being recategorized in 2013.

Business-type Activities. Business-type activities decreased the County's net position by approximately \$5.1 million during the year. This decrease is primarily the result of significant transfers from the delinquent tax fund to governmental activities.

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 \$19.9 million, an increase of \$2.1 million from the prior year. This increase was primarily due to \$6.0 million transferred from the Delinquent Tax Revolving enterprise fund to the Jail Building nonmajor governmental fund for the Jail/Juvenile Transition Center construction project.

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 \$7.2 million while total fund balance amounted to \$9.8 million. 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. At September 30, 2013, general fund unassigned and total fund balance approximated 19.5% and 26.5%, respectively, of total general fund expenditures.

The Community Mental Health special revenue fund had a current year decrease in fund balance totaling \$0.5 million, resulting in ending fund balance of \$0.5 million. The ending fund balance represents approximately .6% of current year fund expenditures. Additional details for the Community Mental Health can be located in its separately issued financial statements.

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 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 position of \$1.8 million as a result of increased charges for services and crop sales. Nonmajor enterprise operations reported a net loss in net position of \$6.3 million primarily as a result of transfers out to governmental activities.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

General Fund Budgetary Highlights. Several budget amendments were made during the year although total revenues and total expenditures were consistent from the original to the final amended budget. Significant amendments included:

- Reduced property tax revenues due to taxable value declines.
- Increased local grant revenues and general government expenditures resulting from a DTE energy efficiency program for County residence.
- Increased public safety expenditures as a result of increased wage and benefit costs.
- In total, actual revenues for the general fund were under final budget by \$323,087, while actual expenditures exceeded final budget by \$200,929.

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 (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 4.4	\$ 4.3	\$ 19.9	\$ 19.9	\$ 24.3	\$ 24.2
Construction in progress	2.2	9.4	-	0.1	2.2	9.5
	6.6	13.7	19.9	20.0	26.5	33.7
Depreciable capital assets	111.3	101.5	278.9	277.4	390.2	378.9
Accumulated depreciation	(42.7)	(43.0)	(121.1)	(113.4)	(163.8)	(156.4)
Total capital assets, net	\$ 75.2	\$ 72.2	\$ 177.7	\$ 184.0	\$ 252.9	\$ 256.2

Current year additions to governmental activities capital assets included significant investments in IT technology and upgrades, and Hall of Justice improvements.

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 (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Bonds	\$ 20.1	\$ 21.9	\$ 106.2	\$ 111.7	\$ 126.3	\$ 133.6
Delinquent tax notes	-	-	16.0	16.0	16.0	16.0
Other debt	1.4	2.1	-	-	1.4	2.1
Total installment debt	21.5	24.0	122.2	127.7	143.7	151.7
Deferred costs, premium	-	-	0.4	0.5	0.4	0.5
Closure and sludge cost	-	-	13.2	13.3	13.2	13.3
Compensated absences	6.7	7.0	1.6	1.6	8.3	8.6
Totals	\$ 28.2	\$ 31.0	\$ 137.4	\$ 143.1	\$ 165.6	\$ 174.1

The County debt limit, as defined by statute, is ten percent (10%) of state equalized property values, which makes the debt limit currently approximately \$461 million. Total County long-term debt subject to this limit is approximately \$143 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 2014 balanced budget.

	General Fund Changes in Fund (dollars in thousands)		
	2014 Budget	2013	2012
Revenues	\$ 42,892	\$ 42,452	\$ 41,113
Expenditures			
General government	15,458	15,457	14,632
Legislative	386	379	422
Judicial	7,906	7,595	7,095
Public safety	12,682	13,297	11,169
Cultural	199	215	174
Other	-	-	2,411
Total expenditures	36,631	36,943	35,903
Revenues over/(under) expenditures	6,261	5,509	5,210
Other financing sources/(uses)			
Transfers in	2,573	2,853	4,025
Transfers out	(8,834)	(9,304)	(9,841)
Other	-	-	12
Total other financing sources/(uses)	(6,261)	(6,451)	(5,804)
Changes in fund balance	-	(942)	(594)
Fund balance, beginning	9,789	10,731	11,325
Fund balance, ending	\$ 9,789	\$ 9,789	\$ 10,731

The following economic factors were considered in preparing the County's budget for the 2014 fiscal year:

- The decline in property values over the past several years has slowed and therefore it was anticipated in the fiscal year 2014 budget that property tax revenues will be consistent with 2013 levels.
- Increased contribution rates for defined benefit pension resulting from declining active participants in closed plans and poor investment performance.
- Historically low interest earnings due to low market rates.
- A 1% general salary increase excluding Commissioners and Judges.
- 100% receipt of estimated state shared revenues which is contingent on meeting the requirements of the state mandated county incentive program.
- Addition of a public defender department which will provide an indigent defense system which was previously provided contractually.

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 Position September 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 22,615,804	\$ 33,453,457	\$ 56,069,261	\$ 2,617,967
Receivables, net	14,558,126	51,540,188	66,098,314	4,033,189
Internal balances	2,573,753	(2,573,753)	-	-
Other assets	801,990	226,980	1,028,970	2,724,389
Restricted assets	-	2,006,119	2,006,119	-
Advances to component units	21,500	250,000	271,500	-
Capital assets not being depreciated	6,636,152	19,866,425	26,502,577	24,723,713
Capital assets being depreciated, net	68,584,359	157,790,560	226,374,919	44,646,302
Total assets	<u>115,791,684</u>	<u>262,559,976</u>	<u>378,351,660</u>	<u>78,745,560</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	147,360	-	147,360	-
LIABILITIES				
Payables	13,583,720	1,495,556	15,079,276	535,806
Accrued liabilities	4,757,944	1,927,564	6,685,508	639,677
Advances from primary government	-	-	-	271,500
Unearned revenue	121,449	35,407	156,856	268,644
Long-term liabilities:				
Due within one year	3,978,025	18,440,451	22,418,476	416,000
Due in more than one year	24,271,209	118,969,741	143,240,950	135,597
Net other postemployment benefit obligation	2,459,473	-	2,459,473	-
Total liabilities	<u>49,171,820</u>	<u>140,868,719</u>	<u>190,040,539</u>	<u>2,267,224</u>
NET POSITION				
Net investment in capital assets	53,894,267	98,852,484	152,746,751	69,170,015
Restricted for:				
Grant programs and other activities	3,049,932	-	3,049,932	-
Debt service	398,754	-	398,754	-
Capital projects	53,888	-	53,888	-
Nonexpendable endowments	37,233	-	37,233	-
Unrestricted	9,333,150	22,838,773	32,171,923	7,308,321
Total net position	<u>\$ 66,767,224</u>	<u>\$ 121,691,257</u>	<u>\$ 188,458,481</u>	<u>\$ 76,478,336</u>

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, 2013

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 17,148,312	\$ 5,577,447	\$ 3,428,220	\$ 387,751
Legislative	413,580	-	-	-
Judicial	8,389,928	2,885,785	348,067	-
Public safety	18,348,016	1,606,169	1,170,879	305,000
Health	106,363,599	77,094,216	16,989,907	-
Welfare	8,174,751	-	7,693,916	-
Cultural	272,518	-	45,868	-
Recreation	1,011,357	663,402	26,315	-
Interest	1,132,931	506,109	-	-
Total governmental activities	<u>161,254,992</u>	<u>88,333,128</u>	<u>29,703,172</u>	<u>692,751</u>
Business-type activities:				
Local government public works financing	1,320,850	1,318,525	2,325	-
Airport operations	3,039,251	962,766	253,698	649,733
Regional water	3,166,276	3,053,214	99,147	-
Wastewater	16,637,599	18,247,474	228,498	-
Brookhaven Medical Care	15,154,873	14,045,757	-	-
Other enterprise funds	8,446,211	6,870,550	1,453,438	2,729,374
Total business-type activities	<u>47,765,060</u>	<u>44,498,286</u>	<u>2,037,106</u>	<u>3,379,107</u>
Total primary government	<u>\$ 209,020,052</u>	<u>\$ 132,831,414</u>	<u>\$ 31,740,278</u>	<u>\$ 4,071,858</u>
Component units				
Road Commission	\$ 14,629,283	\$ 2,875,043	\$ 9,164,708	\$ 2,100,119
Drainage Districts	365,069	313,075	-	-
Muskegon County Land Bank	293,160	551,282	5,736	-
Total component units	<u>\$ 15,287,512</u>	<u>\$ 3,739,400</u>	<u>\$ 9,170,444</u>	<u>\$ 2,100,119</u>

Net (expense) revenue

General revenues:

Taxes:

Property taxes

Liquor control taxes

Lodging excise taxes

State shared revenue

Unrestricted investment earnings (loss)

Proceeds from sale of capital assets

Other revenue

Transfers - internal activities

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated

Net position, end of year

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

Net (Expense) Revenue and Change in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (7,754,894)	\$ -	\$ (7,754,894)	\$ -
(413,580)	-	(413,580)	-
(5,156,076)	-	(5,156,076)	-
(15,265,968)	-	(15,265,968)	-
(12,279,476)	-	(12,279,476)	-
(480,835)	-	(480,835)	-
(226,650)	-	(226,650)	-
(321,640)	-	(321,640)	-
(626,822)	-	(626,822)	-
<u>(42,525,941)</u>	<u>-</u>	<u>(42,525,941)</u>	<u>-</u>
-	-	-	-
-	(1,173,054)	(1,173,054)	-
-	(13,915)	(13,915)	-
-	1,838,373	1,838,373	-
-	(1,109,116)	(1,109,116)	-
-	2,607,151	2,607,151	-
-	2,149,439	2,149,439	-
<u>(42,525,941)</u>	<u>2,149,439</u>	<u>(40,376,502)</u>	<u>-</u>
-	-	-	(489,413)
-	-	-	(51,994)
-	-	-	263,858
-	-	-	<u>(277,549)</u>
<u>(42,525,941)</u>	<u>2,149,439</u>	<u>(40,376,502)</u>	<u>(277,549)</u>
24,624,259	-	24,624,259	-
1,272,919	-	1,272,919	-
914,573	-	914,573	-
2,748,014	-	2,748,014	-
(742,225)	-	(742,225)	57,639
-	-	-	43,661
5,943,134	-	5,943,134	160,457
7,219,312	(7,219,312)	-	-
<u>41,979,986</u>	<u>(7,219,312)</u>	<u>34,760,674</u>	<u>261,757</u>
(545,955)	(5,069,873)	(5,615,828)	(15,792)
67,313,179	126,761,130	194,074,309	76,494,128
<u>\$ 66,767,224</u>	<u>\$ 121,691,257</u>	<u>\$ 188,458,481</u>	<u>\$ 76,478,336</u>

COUNTY OF MUSKEGON, MICHIGAN

Balance Sheet

Governmental Funds

September 30, 2013

	General Fund (1010)	Community Mental Health (2220)	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 2,538,125	\$ 6,488,240	\$ 9,730,918	\$ 18,757,283
Receivables, net:				
Accounts	817,384	706,362	248,095	1,771,841
Due from other governments	1,189,600	2,030,375	3,326,551	6,546,526
Accrued interest	23,952	-	10,694	34,646
Property taxes	4,820,785	-	-	4,820,785
Long-term notes	20,999	-	900,000	920,999
Prepaid and other items	-	142,568	-	142,568
Due from other funds	-	52,163	-	52,163
Inventories	-	-	17,440	17,440
Advances to other funds	2,485,447	-	-	2,485,447
Advances to component units	21,500	-	-	21,500
Total assets	\$ 11,917,792	\$ 9,419,708	\$ 14,233,698	\$ 35,571,198
LIABILITIES AND FUND BALANCES				
Liabilities:				
Negative equity in pooled cash	\$ -	\$ -	\$ 2,610,024	\$ 2,610,024
Payables:				
Accounts payable	957,210	3,211,755	1,383,716	5,552,681
Due to other governments	471,565	5,580,618	367,339	6,419,522
Accrued liabilities	695,511	-	331,224	1,026,735
Unearned revenue	3,979	55,072	38,066	97,117
Total liabilities	2,128,265	8,847,445	4,730,369	15,706,079
Fund balances:				
Nonspendable	2,527,946	142,568	929,673	3,600,187
Restricted	45,060	429,695	3,084,019	3,558,774
Committed	-	-	279,208	279,208
Assigned	-	-	5,210,429	5,210,429
Unassigned	7,216,521	-	-	7,216,521
Total fund balances	9,789,527	572,263	9,503,329	19,865,119
Total liabilities and fund balances	\$ 11,917,792	\$ 9,419,708	\$ 14,233,698	\$ 35,571,198

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

COUNTY OF MUSKEGON, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
September 30, 2013

Fund balances - total governmental funds	\$ 19,865,119
Amounts reported for <i>governmental activities</i> in the statement of net position 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	5,697,866
Capital assets being depreciated, net	50,257,220
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 position of governmental activities accounted for in internal service funds	13,634,556
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	(13,450,000)
Unamortized deferred loss on bond refunding	147,360
Compensated absences	(6,726,664)
Accrued interest on long-term debt	(198,760)
Net other postemployment benefit obligation	(2,459,473)
Net position of governmental activities	<u>\$ 66,767,224</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, 2013

	General Fund (1010)	Community Mental Health (2220)	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 24,352,119	\$ -	\$ 2,975,340	\$ 27,327,459
Licenses and permits	54,862	-	-	54,862
Grants and contributions:				
Federal	2,043,542	364,269	10,110,800	12,518,611
State	4,445,612	7,677,363	6,326,002	18,448,977
Local	485,640	102,136	339,059	926,835
Charges for services	9,473,259	75,615,616	2,668,697	87,757,572
Fines and forfeitures	527,710	-	839	528,549
Investment income	98,631	44,790	31,826	175,247
Rentals	175,606	-	1,014,005	1,189,611
Other	794,856	3,280,729	1,016,138	5,091,723
Total revenues	<u>42,451,837</u>	<u>87,084,903</u>	<u>24,482,706</u>	<u>154,019,446</u>
EXPENDITURES				
Current:				
General government	15,457,172	-	810,422	16,267,594
Legislative	378,760	-	-	378,760
Judicial	7,594,910	-	343,403	7,938,313
Public safety	13,297,282	-	1,503,272	14,800,554
Health	-	88,395,522	16,835,397	105,230,919
Welfare	-	-	8,100,503	8,100,503
Cultural	215,015	-	47,500	262,515
Recreation	-	-	609,346	609,346
Debt service:				
Principal	-	-	1,690,000	1,690,000
Interest and fiscal charges	-	-	624,627	624,627
Capital outlay	-	-	3,306,166	3,306,166
Total expenditures	<u>36,943,139</u>	<u>88,395,522</u>	<u>33,870,636</u>	<u>159,209,297</u>
Revenues over (under) expenditures	<u>5,508,698</u>	<u>(1,310,619)</u>	<u>(9,387,930)</u>	<u>(5,189,851)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,853,011	814,752	13,971,948	17,639,711
Transfers out	(9,303,770)	-	(998,251)	(10,302,021)
Total other financing sources (uses)	<u>(6,450,759)</u>	<u>814,752</u>	<u>12,973,697</u>	<u>7,337,690</u>
Net change in fund balances	<u>(942,061)</u>	<u>(495,867)</u>	<u>3,585,767</u>	<u>2,147,839</u>
Fund balances, beginning of year	10,731,588	1,068,130	5,917,562	17,717,280
Fund balances, end of year	<u>\$ 9,789,527</u>	<u>\$ 572,263</u>	<u>\$ 9,503,329</u>	<u>\$ 19,865,119</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended September 30, 2013

Net change in fund balances - total governmental funds \$ 2,147,839

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	2,939,153
Depreciation expense	(2,231,496)
Loss on sale of capital assets	(242,001)

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 position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on long-term liabilities	1,690,000
---------------------------------------------	-----------

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

Change in accrued interest payable on long-term debt	10,952
Amortization of deferred loss on refunding	(18,420)
Change in the accrual for compensated absences	156,985
Change in net other postemployment benefit obligation	(1,280,773)

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

Interest income from internal service funds	(917,472)
Interest expense from internal service funds	(500,836)
Loss on sale of capital assets from internal service funds	(60,992)
Operating loss from governmental activities in internal service funds	(2,508,267)
Capital contributions to internal service funds	387,751
Transfers out of internal service funds	(118,378)

Change in net position of governmental activities	<u>\$ (545,955)</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

Budget and Actual - GENERAL FUND

For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES				
Taxes	\$ 24,933,399	\$ 24,347,184	\$ 24,352,119	\$ 4,935
Licenses and permits	24,500	64,000	54,862	(9,138)
Grants and contributions:				
Federal	2,403,117	2,236,475	2,043,542	(192,933)
State	4,174,088	4,354,074	4,445,612	91,538
Local	-	494,360	485,640	(8,720)
Charges for services	9,999,834	9,515,960	9,473,259	(42,701)
Fines and forfeitures	524,500	586,500	527,710	(58,790)
Investment income	148,100	146,000	98,631	(47,369)
Rentals	182,768	178,898	175,606	(3,292)
Other	1,492,075	851,473	794,856	(56,617)
Total revenues	<u>43,882,381</u>	<u>42,774,924</u>	<u>42,451,837</u>	<u>(323,087)</u>
EXPENDITURES				
Current:				
General government	15,492,408	15,340,141	15,457,172	117,031
Legislative	399,620	398,990	378,760	(20,230)
Judicial	7,859,702	7,695,013	7,594,910	(100,103)
Public safety	12,846,779	13,090,808	13,297,282	206,474
Cultural	170,804	217,258	215,015	(2,243)
Total expenditures	<u>36,769,313</u>	<u>36,742,210</u>	<u>36,943,139</u>	<u>200,929</u>
Revenues over (under) expenditures	<u>7,113,068</u>	<u>6,032,714</u>	<u>5,508,698</u>	<u>(524,016)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Delinquent tax funds	2,200,000	2,714,694	2,783,011	68,317
Other funds	70,000	70,000	70,000	-
Total transfers in	<u>2,270,000</u>	<u>2,784,694</u>	<u>2,853,011</u>	<u>68,317</u>
Transfers out:				
Special Revenue Funds:				
Judicial - to Sobriety Court	(249,566)	(112,659)	(88,681)	23,978
Public safety funds	(519,909)	(538,787)	(488,180)	50,607
Health, welfare and cultural funds:				
Child care fund	(4,292,331)	(3,995,693)	(4,220,171)	(224,478)
Public health fund	(1,913,732)	(1,803,732)	(1,893,980)	(90,248)
Community Mental Health fund	(762,589)	(762,589)	(762,589)	-
Other health, welfare and cultural funds	(22,839)	(13,053)	(3,395)	9,658
Debt service funds	(204,540)	(204,720)	(204,720)	-
Enterprise Funds:				
Brookhaven Medical Care Facility	(350,000)	(952,386)	(1,108,916)	(156,530)
Airport Fund	(759,001)	(533,138)	(533,138)	-
Other enterprise funds	(26,372)	-	-	-
Internal service funds	(285,689)	-	-	-
Total transfers out	<u>(9,386,568)</u>	<u>(8,916,757)</u>	<u>(9,303,770)</u>	<u>(387,013)</u>
Proceeds from sale of capital assets	3,500	-	-	-
Total other financing sources (uses)	<u>(7,113,068)</u>	<u>(6,132,063)</u>	<u>(6,450,759)</u>	<u>(318,696)</u>
Net change in fund balances	-	(99,349)	(942,061)	(842,712)
Fund balances, beginning of year	10,731,588	10,731,588	10,731,588	-
Fund balances, end of year	<u>\$ 10,731,588</u>	<u>\$ 10,632,239</u>	<u>\$ 9,789,527</u>	<u>\$ (842,712)</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 Budget and Actual - COMMUNITY MENTAL HEALTH SPECIAL REVENUE FUND For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES				
Grants and contributions:				
Federal	\$ 559,385	\$ 559,385	\$ 364,269	\$ (195,116)
State	7,378,119	7,489,097	7,677,363	188,266
Local	-	-	102,136	102,136
Charges for services:				
Medicaid fee for service/capitation	72,864,545	74,509,044	73,315,996	(1,193,048)
Other insurance	2,226,800	2,226,800	2,299,620	72,820
Investment income	38,400	40,000	44,790	4,790
Reinvestment program	3,415,253	2,665,000	2,435,017	(229,983)
Other	1,021,594	1,201,668	845,712	(355,956)
Total revenues	<u>87,504,096</u>	<u>88,690,994</u>	<u>87,084,903</u>	<u>(1,606,091)</u>
EXPENDITURES				
Current - Health	<u>88,274,526</u>	<u>89,453,583</u>	<u>88,395,522</u>	<u>(1,058,061)</u>
Revenues under expenditures	(770,430)	(762,589)	(1,310,619)	(548,030)
OTHER FINANCING SOURCES				
Transfers in - General Fund	770,430	762,589	762,589	-
Transfers in - Risk Reserve				
Internal Service Fund	-	-	52,163	52,163
Total other financing sources	<u>770,430</u>	<u>762,589</u>	<u>814,752</u>	<u>52,163</u>
Net change in fund balances	-	-	(495,867)	(495,867)
Fund balances, beginning of year	1,068,130	1,068,130	1,068,130	-
Fund balances, end of year	<u>\$ 1,068,130</u>	<u>\$ 1,068,130</u>	<u>\$ 572,263</u>	<u>\$ (495,867)</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2013

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
ASSETS			
Current assets:			
Cash and investments	\$ 419,422	\$ 1,370,571	\$ 4,279,111
Receivables, net:			
Accounts	3,442	66,617	928,758
Due from other governments	-	11,501	-
Accrued interest	930	2,226	13,478
Taxes	-	-	-
Notes	-	-	9,814
Leases	1,493,276	-	-
Special assessments	-	-	143,744
Prepays	-	-	-
Inventories	-	-	-
Total current assets	<u>1,917,070</u>	<u>1,450,915</u>	<u>5,374,905</u>
Noncurrent assets:			
Advances to component units	-	-	-
Advances to other funds	-	-	-
Deposits held with others	-	-	-
Restricted assets	-	-	-
Notes receivable	-	-	47,452
Leases receivable	26,699,222	-	-
Special assessments receivable	-	-	1,067,617
Capital assets not being depreciated	-	11,221,604	9,000
Capital assets being depreciated, net	-	17,745,616	16,758,928
Total noncurrent assets	<u>26,699,222</u>	<u>28,967,220</u>	<u>17,882,997</u>
Total assets	<u>28,616,292</u>	<u>30,418,135</u>	<u>23,257,902</u>

Business-type Activities - Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 9,425,591	\$ 443,387	\$ 18,687,962	\$ 34,626,044	\$ 10,902,391
522,250	1,258,760	248,962	3,028,789	242,875
1,782,910	25,599	829,276	2,649,286	-
22,843	-	58,861	98,338	20,454
-	-	14,743,416	14,743,416	-
182,106	-	-	191,920	-
-	-	-	1,493,276	-
-	-	-	143,744	-
-	-	-	-	239,345
94,999	122,470	9,511	226,980	-
<u>12,030,699</u>	<u>1,850,216</u>	<u>34,577,988</u>	<u>57,201,793</u>	<u>11,405,065</u>
-	-	250,000	250,000	-
-	-	95,160	95,160	750,584
-	-	-	-	402,637
-	-	2,006,119	2,006,119	-
1,377,128	-	-	1,424,580	200,000
-	-	-	26,699,222	-
-	-	-	1,067,617	-
7,514,858	-	1,120,963	19,866,425	938,286
<u>110,281,057</u>	<u>1,137,091</u>	<u>11,867,868</u>	<u>157,790,560</u>	<u>18,327,139</u>
<u>119,173,043</u>	<u>1,137,091</u>	<u>15,340,110</u>	<u>209,199,683</u>	<u>20,618,646</u>
<u>131,203,742</u>	<u>2,987,307</u>	<u>49,918,098</u>	<u>266,401,476</u>	<u>32,023,711</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2013

	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	-	49,899	138,616
Accrued liabilities	-	17,340	5,175
Due to other governments	269,260	-	437,515
Accrued interest	502,032	-	272,542
Due to other funds	-	-	-
Unearned revenue	-	34,882	-
Current portion of accrued closure cost and sludge removal	-	-	-
Current portion of compensated absences	-	20,035	4,676
Current portion of long-term debt	1,145,000	-	510,000
Total current liabilities	<u>1,916,292</u>	<u>122,156</u>	<u>1,368,524</u>
Noncurrent liabilities, net of current portion:			
Advances from other funds	-	750,584	-
Accrued closure cost and sludge removal	-	-	-
Compensated absences	-	80,141	18,703
Long-term debt	26,700,000	-	14,190,000
Total noncurrent liabilities	<u>26,700,000</u>	<u>830,725</u>	<u>14,208,703</u>
Total liabilities	<u>28,616,292</u>	<u>952,881</u>	<u>15,577,227</u>
NET POSITION			
Net investment in capital assets	-	28,967,220	2,067,928
Unrestricted	-	498,034	5,612,747
Total net position	<u>\$ -</u>	<u>\$ 29,465,254</u>	<u>\$ 7,680,675</u>

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
\$ -	\$ -	\$ 1,172,587	\$ 1,172,587	\$ 4,433,846
128,256	366,065	105,945	788,781	1,477,072
107,380	232,321	100,762	462,978	3,333,788
-	-	-	706,775	134,445
663,451	-	26,561	1,464,586	198,661
-	-	-	-	52,163
-	-	525	35,407	24,332
325,000	-	215,028	540,028	-
133,957	93,728	68,042	320,438	9,792
3,912,395	-	12,012,590	17,579,985	877,900
<u>5,270,439</u>	<u>692,114</u>	<u>13,702,040</u>	<u>23,071,565</u>	<u>10,541,999</u>
-	1,918,329	-	2,668,913	662,278
1,442,618	-	11,158,960	12,601,578	-
535,827	374,911	272,168	1,281,750	39,166
60,192,106	-	4,004,307	105,086,413	7,145,712
<u>62,170,551</u>	<u>2,293,240</u>	<u>15,435,435</u>	<u>121,638,654</u>	<u>7,847,156</u>
<u>67,440,990</u>	<u>2,985,354</u>	<u>29,137,475</u>	<u>144,710,219</u>	<u>18,389,155</u>
53,691,414	1,137,091	12,988,831	98,852,484	11,241,813
10,071,338	(1,135,138)	7,791,792	22,838,773	2,392,743
<u>\$ 63,762,752</u>	<u>\$ 1,953</u>	<u>\$ 20,780,623</u>	<u>\$ 121,691,257</u>	<u>\$ 13,634,556</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Operating revenues:			
Charges for services	\$ 96,479	\$ 837,017	\$ 3,053,214
Farm sales	-	-	-
Interest and penalties	-	-	-
Premiums	-	-	-
Rentals	-	95,820	-
Lease interest revenue	1,221,004	-	-
Other revenues	1,042	29,929	-
Total operating revenues	<u>1,318,525</u>	<u>962,766</u>	<u>3,053,214</u>
Operating expenses:			
Salaries and fringes	-	714,877	173,626
Supplies and other operating expenses	101,979	1,072,125	1,900,222
Insurance benefits and claims	-	-	-
Insurance premiums	-	-	-
Depreciation	-	1,236,705	436,772
Total operating expenses	<u>101,979</u>	<u>3,023,707</u>	<u>2,510,620</u>
Operating income (loss)	<u>1,216,546</u>	<u>(2,060,941)</u>	<u>542,594</u>
Nonoperating revenues (expenses):			
Grants and contributions:			
Federal	-	-	-
State	-	247,879	-
Local	-	-	-
Interest income	2,325	5,819	99,147
Interest expense	(1,218,871)	-	(655,656)
Loss on sale of capital assets	-	(15,544)	-
Total nonoperating revenues (expenses)	<u>(1,216,546)</u>	<u>238,154</u>	<u>(556,509)</u>
Income (loss) before capital contributions and transfers	-	(1,822,787)	(13,915)
Capital contributions - federal	-	398,514	-
Capital contributions - state	-	251,219	-
Transfers in	-	569,549	-
Transfers out	-	-	-
Change in net position	-	(603,505)	(13,915)
Net position, beginning of year, as restated	-	30,068,759	7,694,590
Net position, end of year	<u>\$ -</u>	<u>\$ 29,465,254</u>	<u>\$ 7,680,675</u>

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
\$ 14,854,266	\$ 14,033,702	\$ 4,264,068	\$ 37,138,746	\$ -
3,348,234	-	-	3,348,234	-
-	-	2,590,555	2,590,555	-
-	-	-	-	15,050,752
-	11,637	-	107,457	1,481,230
-	-	-	1,221,004	-
44,974	418	15,927	92,290	3,823,378
<u>18,247,474</u>	<u>14,045,757</u>	<u>6,870,550</u>	<u>44,498,286</u>	<u>20,355,360</u>
3,636,077	9,594,501	3,780,519	17,899,600	1,084,368
5,059,130	5,294,350	3,203,873	16,631,679	2,111,280
-	-	-	-	49,074
-	-	-	-	18,356,228
6,357,916	145,645	1,384,124	9,561,162	1,262,677
<u>15,053,123</u>	<u>15,034,496</u>	<u>8,368,516</u>	<u>44,092,441</u>	<u>22,863,627</u>
<u>3,194,351</u>	<u>(988,739)</u>	<u>(1,497,966)</u>	<u>405,845</u>	<u>(2,508,267)</u>
152,029	-	40,008	192,037	-
-	-	1,172,107	1,419,986	-
-	-	132,167	132,167	-
76,469	-	109,156	292,916	(917,472)
(1,518,799)	-	(76,553)	(3,469,879)	(500,836)
(65,677)	(120,377)	(1,142)	(202,740)	(60,992)
<u>(1,355,978)</u>	<u>(120,377)</u>	<u>1,375,743</u>	<u>(1,635,513)</u>	<u>(1,479,300)</u>
1,838,373	(1,109,116)	(122,223)	(1,229,668)	(3,987,567)
-	-	2,723,758	3,122,272	387,751
-	-	5,616	256,835	-
-	1,108,916	50,178	1,728,643	-
-	-	(8,947,955)	(8,947,955)	(118,378)
<u>1,838,373</u>	<u>(200)</u>	<u>(6,290,626)</u>	<u>(5,069,873)</u>	<u>(3,718,194)</u>
<u>61,924,379</u>	<u>2,153</u>	<u>27,071,249</u>	<u>126,761,130</u>	<u>17,352,750</u>
<u>\$ 63,762,752</u>	<u>\$ 1,953</u>	<u>\$ 20,780,623</u>	<u>\$ 121,691,257</u>	<u>\$ 13,634,556</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2013

	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	\$ 2,479,553	\$ 1,020,476	\$ 3,058,135
Payments to vendors	(6,321)	(836,059)	(1,828,299)
Payments for personnel services	-	(700,224)	(173,857)
Delinquent taxes purchased	-	-	-
Net cash provided by (used in) operating activities	<u>2,473,232</u>	<u>(515,807)</u>	<u>1,055,979</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental receipts	-	569,549	-
Intergovernmental payments	-	-	-
Federal and/or state grants	-	15,367	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>584,916</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	(1,120,000)	-	(495,000)
Interest paid on long-term debt	(1,236,347)	-	(663,440)
Capital contributions received	-	-	-
Proceeds of borrowing from cash pool, net	-	-	-
Proceeds from sale of capital assets	-	718	-
Purchase of capital assets	-	(36,412)	-
Net cash provided by (used in) capital and related financing activities	<u>(2,356,347)</u>	<u>(35,694)</u>	<u>(1,158,440)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>2,325</u>	<u>5,819</u>	<u>99,147</u>
Net increase (decrease) in cash and investments	119,210	39,234	(3,314)
Cash and investments, beginning of year	300,212	1,331,337	4,282,425
Cash and investments, end of year	<u>\$ 419,422</u>	<u>\$ 1,370,571</u>	<u>\$ 4,279,111</u>



Business-type Activities - Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 17,648,228	\$ 14,190,084	\$ 20,475,706	\$ 58,872,182	\$ 22,365,367
(5,511,318)	(5,834,863)	(3,382,217)	(17,399,077)	(20,816,035)
(3,638,576)	(9,655,614)	(3,853,442)	(18,021,713)	(1,567,552)
-	-	(13,844,777)	(13,844,777)	-
<u>8,498,334</u>	<u>(1,300,393)</u>	<u>(604,730)</u>	<u>9,606,615</u>	<u>(18,220)</u>
-	902,281	-	1,471,830	-
-	-	(8,992,937)	(8,992,937)	(129,516)
152,029	-	1,233,677	1,401,073	-
<u>152,029</u>	<u>902,281</u>	<u>(7,759,260)</u>	<u>(6,120,034)</u>	<u>(129,516)</u>
-	-	12,000,000	12,000,000	-
-	-	12,920	12,920	-
(3,840,000)	-	(12,000,000)	(17,455,000)	(865,325)
(1,585,523)	-	(135,333)	(3,620,643)	(509,265)
-	-	2,729,374	2,729,374	387,751
-	-	-	-	4,462,791
28,976	-	2,154	31,848	565,871
(1,270,290)	(423,779)	(1,104,445)	(2,834,926)	(4,451,961)
<u>(6,666,837)</u>	<u>(423,779)</u>	<u>1,504,670</u>	<u>(9,136,427)</u>	<u>(410,138)</u>
<u>76,469</u>	<u>-</u>	<u>109,156</u>	<u>292,916</u>	<u>(917,472)</u>
2,059,995	(821,891)	(6,750,164)	(5,356,930)	(1,475,346)
7,365,596	1,265,278	25,438,126	39,982,974	12,377,737
<u>\$ 9,425,591</u>	<u>\$ 443,387</u>	<u>\$ 18,687,962</u>	<u>\$ 34,626,044</u>	<u>\$ 10,902,391</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

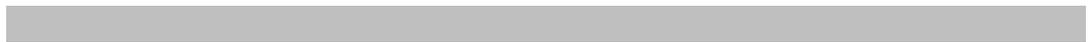
For the Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,216,546	\$ (2,060,941)	\$ 542,594
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	1,236,705	436,772
Noncash contributions	-	234,504	-
Changes in assets and liabilities:			
Accounts receivable	(2,009)	24,601	(103,051)
Due from other governments	-	-	-
Accrued interest receivable	(664)	(1,773)	(9,056)
Taxes receivable	-	-	-
Leases receivable	1,163,701	-	-
Special assessments receivable	-	-	117,028
Notes receivable	-	-	-
Prepays	-	-	-
Inventories	-	-	-
Deposits held with others	-	-	-
Restricted assets	-	-	-
Negative equity in pooled cash	-	-	-
Accounts payable	-	1,562	(99,385)
Accrued liabilities	-	697	49
Due to other governments	95,658	-	171,308
Unearned revenue	-	34,882	-
Accrued closure cost and sludge removal	-	-	-
Accrued compensated absences	-	13,956	(280)
Net cash provided by (used in) operating activities	<u>\$ 2,473,232</u>	<u>\$ (515,807)</u>	<u>\$ 1,055,979</u>

Noncash transactions

The Airport fund received noncash capital contributions of \$649,733 for the year ended September 30, 2013.

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
\$ 3,194,351	\$ (988,739)	\$ (1,497,966)	\$ 405,845	\$ (2,508,267)
6,357,916	145,645	1,384,124	9,561,162	1,262,677
-	-	-	234,504	-
155,190	149,421	277,266	501,418	1,969,124
(387,560)	(5,094)	-	(392,654)	2,968
9,441	-	10,866	8,814	12,569
-	-	(1,126,712)	(1,126,712)	-
-	-	-	1,163,701	-
-	-	-	117,028	-
(376,317)	-	-	(376,317)	-
-	18,635	-	18,635	(39,851)
(16,240)	(5,016)	(5,354)	(26,610)	-
-	-	-	-	(239,994)
-	-	(74,529)	(74,529)	-
-	-	196,455	196,455	-
(5,621)	(263,528)	(53,690)	(420,662)	(18,594)
7,110	(33,794)	5,309	(20,629)	(534,012)
-	(290,604)	-	(23,638)	50,316
-	-	525	35,407	24,332
(430,327)	-	296,458	(133,869)	-
(9,609)	(27,319)	(17,482)	(40,734)	512
<u>\$ 8,498,334</u>	<u>\$ (1,300,393)</u>	<u>\$ (604,730)</u>	<u>\$ 9,606,615</u>	<u>\$ (18,220)</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds
September 30, 2013

	Agency Funds	Private-Purpose Trust Fund	Other Post- employment Benefits Trust
		Epic Heir Trust (7650)	(7360)
ASSETS			
Cash and investments	\$ 10,313,359	\$ 61,970	\$ 239,469
Funds on deposit with MERS	-	-	44,867,550
Receivables:			
Accounts	11,125	-	-
Accrued interest	500	155	-
Total assets	<u>\$ 10,324,984</u>	<u>62,125</u>	<u>45,107,019</u>
LIABILITIES			
Accounts payable	\$ 24,217	-	-
Due to other governments	436,176	-	-
Undistributed current and delinquent taxes	8,965,077	-	-
Trust deposits	418,124	-	-
Accrued liabilities	384	-	-
Unallocated receipts	481,006	-	-
Total liabilities	<u>\$ 10,324,984</u>	<u>-</u>	<u>-</u>
NET POSITION HELD IN TRUST FOR:			
Epic children		62,125	-
Other postemployment benefits		-	45,107,019
Total net position		<u>\$ 62,125</u>	<u>\$ 45,107,019</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended September 30, 2013

	Private-Purpose Trust Fund	Other Post- employment
	Epic Heir Trust (7650)	Benefits Trust (7360)
ADDITIONS		
Employer contributions	\$ -	\$ 4,528,341
Retiree contributions	-	36,777
Investment earnings	415	4,607,701
Total additions	<u>415</u>	<u>9,172,819</u>
DEDUCTIONS		
Benefit payments	-	4,507,948
Administrative expenses	-	342,128
Total deductions	<u>-</u>	<u>4,850,076</u>
Change in net position	415	4,322,743
Net position, beginning of year	61,710	40,784,276
Net position, end of year	<u>\$ 62,125</u>	<u>\$ 45,107,019</u>

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

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units

September 30, 2013

	Road Commission	Drainage Districts	Muskegon County Land Bank	Total
ASSETS				
Cash and investments	\$ 2,223,453	\$ 212,989	\$ 181,525	\$ 2,617,967
Receivables:				
Accounts	-	-	967,361	967,361
Assessments	-	273,262	-	273,262
Due from other governments	2,220,021	-	-	2,220,021
Accrued interest	-	622	320	942
Property taxes	-	-	3,667	3,667
Other	567,936	-	-	567,936
Prepays and other assets	698,258	-	-	698,258
Inventories	1,938,485	-	-	1,938,485
Assets held for resale	-	-	87,646	87,646
Capital assets not being depreciated	24,723,713	-	-	24,723,713
Capital assets being depreciated, net	41,325,514	3,320,788	-	44,646,302
Total assets	<u>73,697,380</u>	<u>3,807,661</u>	<u>1,240,519</u>	<u>78,745,560</u>
LIABILITIES				
Accounts payable	513,126	19,523	3,157	535,806
Accrued liabilities	615,770	925	22,982	639,677
Advances from primary government	-	21,500	250,000	271,500
Unearned revenue	268,644	-	-	268,644
Long-term liabilities:				
Due within one year	416,000	-	-	416,000
Due in more than one year	135,597	-	-	135,597
Total liabilities	<u>1,949,137</u>	<u>41,948</u>	<u>276,139</u>	<u>2,267,224</u>
NET POSITION				
Net investment in capital assets	65,849,227	3,320,788	-	69,170,015
Unrestricted	5,899,016	444,925	964,380	7,308,321
Total net position	<u>\$ 71,748,243</u>	<u>\$ 3,765,713</u>	<u>\$ 964,380</u>	<u>\$ 76,478,336</u>

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, 2013

	Road Commission	Drainage Districts	Muskegon County Land Bank	Total
EXPENSES				
Road Commission	\$ 14,629,283	\$ -	\$ -	\$ 14,629,283
Drainage Districts	-	365,069	-	365,069
Muskegon County Land Bank	-	-	293,160	293,160
Total expenses	<u>14,629,283</u>	<u>365,069</u>	<u>293,160</u>	<u>15,287,512</u>
REVENUES				
Program revenues:				
Charges for services	2,875,043	313,075	551,282	3,739,400
Operating grants and contributions	9,164,708	-	5,736	9,170,444
Capital grants and contributions	2,100,119	-	-	2,100,119
General revenues:				
Unrestricted investment earnings	5,744	1,820	50,075	57,639
Gain on sale of assets	43,661	-	-	43,661
Other revenue	134,558	-	25,899	160,457
Total revenues	<u>14,323,833</u>	<u>314,895</u>	<u>632,992</u>	<u>15,271,720</u>
Change in net position	(305,450)	(50,174)	339,832	(15,792)
Net position, beginning of year, as restated	72,053,693	3,815,887	624,548	76,494,128
Net position, end of year	<u>\$ 71,748,243</u>	<u>\$ 3,765,713</u>	<u>\$ 964,380</u>	<u>\$ 76,478,336</u>

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



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.

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 separately-reported 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 is responsible for maintaining a primary and local road system within County boundaries. The members of the governing board are appointed by the County Board of Commissioners and the County has significant financial responsibility for its operations. The County board also approves all debt issuances. The Road Commission 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 Road Commission'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 position 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 are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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 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 Services Special Revenue Fund 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 System provides for the continued operations of a regional water system for the townships of Dalton, Laketon and Muskegon.

Wastewater Management System 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.

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 position 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 cash equivalents include amounts in demand deposit accounts, certificates of deposit and short term investments with original maturities of three months or less from the date of acquisition. Investments, exclusive of certificates of deposit, are stated at fair value. Certificates of deposit are carried at cost plus accrued interest, since the original maturity dates are less than one year or the certificates are non-participating (i.e., there is no available market for trade prior to maturity).

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

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

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

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

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

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

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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 by proprietary funds 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, equipment and infrastructure of the County, as well as its component units, is depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	10 - 100
Lagoon	98 - 100
Buildings and improvements	10 - 50
Machinery and equipment	3 - 25
Wastewater collection and distribution system	10 - 50
Infrastructure	5 - 50
Capitalized interest and engineering costs	47 - 50

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

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Deferred outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County only has one item that qualifies for reporting in this category, which is the deferred loss on bond refunding. A deferred loss on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Self-Insurance Fund

The county maintains a self-insurance fund. The purpose of this fund is to pay premiums and claims as they are billed or occur. For the self-insured areas of liability, workers' compensation, medical and unemployment, the County maintains an incurred but not reported (IBNR) reserve.

Compensated Absences

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

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

The employee generally receives a *sick leave payoff* equal to sick-leave-payoff-hours multiplied by the employee's final pay rate per hour. There is no limit to the number of sick hours an employee may accumulate, but at termination accumulated sick leave hours are converted into sick-leave-payoff-hours, which is a percentage of accumulated sick leave hours, subject to a maximum of 1440 accumulated sick leave hours. To arrive at the number of sick-leave-payoff-hours to be paid at the final rate of pay, the accumulated sick leave hours are (1) multiplied by 75% for employees who qualify for full retirement or die, (2) multiplied by 50% for other voluntary terminations, (3) multiplied by 100% for certain employee classifications at Brookhaven, or (4) 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 position. Bond premiums and discounts 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

Deferred inflows of resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Drainage District discretely presented component unit reports unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 by resolution 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, 2013, the balance in the stabilization arrangement was \$2,300,000.

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

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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 and transit capital improvements are significantly funded through the Airport Improvement Program of the Federal Aviation Administration and the U.S. Department of Transportation, 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 position, 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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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 department totals in the general fund. All other special revenue fund expenditures and debt service funds cannot legally exceed their respective fund totals and must remain in accordance with their respective grant agreements with federal and state agencies.
6. Budgets for the current year are carefully reviewed in June or July for any revision of estimates. Proposed increases or reductions in appropriations are presented to the Ways and Means Committee and the Board in August and September for their action. The legislative body amends the general appropriation act as soon as it becomes apparent this action is necessary.
7. The Governing Board has the authority to amend all budgets at the fund level through the appropriation ordinance. It further has the right to amend the General Fund at the activity level if it desires. Management has no authority to amend budgets at the fund level. Management can do transfers within funds at the departmental level without governing board approval but not between departments. Some budgets are approved at the zero activity level when there appears to be no consistent operating data to project future revenues or expenses.
8. The budgetary information presented has been amended during the year by an official action of the County Board of Commissioners.
9. All budget appropriations lapse at the end of each funds' fiscal year.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

2. EXCESS OF EXPENDITURES OVER BUDGET

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

During the year ended September 30, 2013, 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:			
Friend of Court	\$ 3,324,913	\$ 3,349,039	\$ 24,126
Human Resources	247,334	253,439	6,105
Training Center	106,206	107,959	1,753
Central Services Building	13,810	15,737	1,927
Stark Hall	15,215	16,793	1,578
Treasurer	405,917	456,656	50,739
Courthouse and Grounds	989,464	1,087,011	97,547
Vehicle Pool	19,200	22,289	3,089
State Institutions	259,504	345,775	86,271
Information Systems	481,927	556,334	74,407
Misc Contingency	644,004	678,362	34,358
Judicial:			
Juvenile Court	680,354	700,687	20,333
Public Defender	1,137,658	1,141,086	3,428
Public Safety:			
Designated & Pass-thru Revenues	1,076,333	1,132,981	56,648
Sheriff Operations	3,679,209	3,784,863	105,654
Officer Training Act 302	10,000	21,004	11,004
Sheriff Jail	6,154,257	6,217,934	63,677
Courtroom Security	1,085,076	1,103,935	18,859
Transfers out	8,916,757	9,303,770	387,013
Nonmajor governmental funds:			
Emergency Services	276,310	428,770	152,460
Highway Safety Programs	299,518	299,844	326
Health Department	7,243,870	7,389,475	145,605
TNT Drug	12,840	12,847	7
Prosecutor Drug	-	1,591	1,591
JAG-ARRA	21,402	21,403	1
Social Welfare	160,315	172,728	12,413
Child Care Facility	7,953,111	8,335,761	382,650
Veteran's Care	345,077	380,202	35,125

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

3. DEFICIT FUND EQUITY

At September 30, 2013, the Brookhaven Medical Care Facility enterprise fund and the Equipment Revolving internal service fund reported unrestricted deficit balances of \$1,135,138 and \$5,367,493, respectively, although total net position of the funds were \$1,953 and \$6,185,336, respectively, the calculation of which adds capital assets (net of debt) to the unrestricted net position amounts. Unrestricted net position for Brookhaven and the Equipment Revolving internal service fund decreased from the prior year by \$157,957 and \$4,567,011, respectively.

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of September 30, 2013:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and investments	\$ 56,069,261	\$ 2,617,967	\$ 58,687,228
Restricted assets	2,006,119	-	2,006,119
	<u>58,075,380</u>	<u>2,617,967</u>	<u>60,693,347</u>
Statement of Fiduciary Net Position			
Agency funds:			
Cash and investments	10,313,359	-	10,313,359
Private purpose trust fund:			
Cash and investments	61,970	-	61,970
Other postemployment benefit trust fund:			
Cash and investments	239,469	-	239,469
Funds on deposit with MERS	44,867,550	-	44,867,550
	<u>55,482,348</u>	<u>-</u>	<u>55,482,348</u>
Total	<u>\$ 113,557,728</u>	<u>\$ 2,617,967</u>	<u>\$ 116,175,695</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Deposits and investments

Bank deposits:	
Checking and savings accounts	\$ 44,135,726
Certificates of deposits, due within one year	3,500,000
Certificates of deposits, due within 1-5 years	20,000
Total bank deposits	<u>47,655,726</u>
Investments:	
Funds on deposit with MERS	44,867,550
Money market accounts	2,006,119
Municipal securities	7,030,797
Government securities	14,010,840
Non-cash commodity	481,363
Total investments	<u>68,396,669</u>
Cash on hand	<u>123,300</u>
Total	<u>\$ 116,175,695</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, \$42,519,946 of the County's bank balance of \$43,579,807 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, 2013, 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 Aaa, S&P AA+	\$ 14,010,840
Moody Aa2, S&P AA	545,926
Moody Aa2, S&P AA-	3,080,250
Moody Aaa, S&P not rated	2,504,280
Moody A1, S&P not rated	900,341
Unrated	47,355,032
Total	<u>\$ 68,396,669</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 1-5 years	\$ 3,080,250
Due in 6-10 years	10,008,167
Due in 11-15 years	5,448,940
Due in 16-20 years	2,504,280
No maturity	47,355,032
Total	<u>\$ 68,396,669</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	\$ 2,108,182	\$ 3,522,489	\$ 967,361
Less: allowance for uncollectibles	(93,466)	(493,700)	-
Due from other governments	6,546,526	2,649,286	2,220,021
Accrued interest	55,100	98,338	942
Taxes (current)	4,820,785	-	3,667
Taxes (delinquent)	-	14,743,416	-
Long-term notes	1,120,999	1,616,500	-
Leases	-	28,192,498	-
Special assessments	-	1,211,361	273,262
Other	-	-	567,936
	<u>\$ 14,558,126</u>	<u>\$ 51,540,188</u>	<u>\$ 4,033,189</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Of the amounts reported for receivables above, long-term notes receivables in the amount of \$2,545,579, special assessments receivable in the amount of \$1,067,617, leases receivable in the amount of \$26,699,222, and accounts receivable of \$664,822 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 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	\$ 7,029,753	\$ 788,781	\$ 535,806
Due to other governments	6,553,967	706,775	-
	<u>\$ 13,583,720</u>	<u>\$ 1,495,556</u>	<u>\$ 535,806</u>

7. OTHER ASSETS

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

	Governmental Activities	Business-type Activities	Component Units
Prepays	\$ 381,913	\$ -	\$ 698,258
Inventory	17,440	226,980	1,938,485
Deposits held with others	402,637	-	-
Assets held for resale	-	-	87,646
	<u>\$ 801,990</u>	<u>\$ 226,980</u>	<u>\$ 2,724,389</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, 2013, was as follows:

Due to and from primary government funds

	Due from Other Funds	Due to Other Funds
Community Mental Health	\$ 52,163	\$ -
Internal service funds	-	52,163
	<u>\$ 52,163</u>	<u>\$ 52,163</u>

Advances to and from primary government funds

	Advances to Other Funds	Advances from Other Funds
General fund	\$ 2,485,447	\$ -
Airport	-	750,584
Brookhaven Medical Care Facility	-	1,918,329
Nonmajor enterprise funds	95,160	-
Internal service funds	750,584	662,278
	<u>\$ 3,331,191</u>	<u>\$ 3,331,191</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, 2013, 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	
General Fund	\$ -	\$ 762,589	\$ 6,899,127	\$ 533,138	\$ 1,108,916	\$ -	\$ 9,303,770
Nonmajor governmental funds	20,000	-	891,662	36,411	-	50,178	998,251
Nonmajor enterprise funds	2,833,011	-	6,114,944	-	-	-	8,947,955
Internal service funds	-	52,163	66,215	-	-	-	118,378
	<u>\$ 2,853,011</u>	<u>\$ 814,752</u>	<u>\$ 13,971,948</u>	<u>\$ 569,549</u>	<u>\$ 1,108,916</u>	<u>\$ 50,178</u>	<u>\$19,368,354</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, 2013 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Government Activities					
Capital assets, not being depreciated:					
Land	\$ 4,279,226	\$ 143,566	\$ (1,500)	\$ -	\$ 4,421,292
Construction-in-progress	9,428,892	5,606,790	(623,134)	(12,197,688)	2,214,860
	<u>13,708,118</u>	<u>5,750,356</u>	<u>(624,634)</u>	<u>(12,197,688)</u>	<u>6,636,152</u>
Capital assets being depreciated:					
Land improvements	5,734,706	66,460	(27,183)	-	5,773,983
Buildings and improvements	77,705,403	418,226	(277,145)	2,673,462	80,519,946
Machinery and equipment	18,054,494	1,156,072	(3,780,704)	9,524,226	24,954,088
	<u>101,494,603</u>	<u>1,640,758</u>	<u>(4,085,032)</u>	<u>12,197,688</u>	<u>111,248,017</u>
Less accumulated depreciation for:					
Land improvements	(2,790,238)	(217,528)	25,963	-	(2,981,803)
Building and improvements	(25,833,940)	(2,213,478)	250,447	-	(27,796,971)
Machinery and equipment	(14,386,109)	(1,063,167)	3,564,392	-	(11,884,884)
	<u>(43,010,287)</u>	<u>(3,494,173)</u>	<u>3,840,802</u>	<u>-</u>	<u>(42,663,658)</u>
Total capital assets being depreciated, net	<u>58,484,316</u>	<u>(1,853,415)</u>	<u>(244,230)</u>	<u>12,197,688</u>	<u>68,584,359</u>
Governmental activities-capital assets, net	<u>\$ 72,192,434</u>	<u>\$ 3,896,941</u>	<u>\$ (868,864)</u>	<u>\$ -</u>	<u>\$ 75,220,511</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	\$ 19,850,075	\$ 7,600	\$ (3,097)	\$ -	\$ 19,854,578
Construction-in-progress	126,171	238,516	-	(352,840)	11,847
	<u>19,976,246</u>	<u>246,116</u>	<u>(3,097)</u>	<u>(352,840)</u>	<u>19,866,425</u>
Capital assets being depreciated:					
Land improvements	30,985,900	743,898	(71,193)	22,597	31,681,202
Buildings and improvements	30,219,196	393,497	(537,501)	-	30,075,192
Machinery and equipment	32,520,823	1,288,010	(1,176,460)	257,324	32,889,697
Lagoons	9,517,671	-	(21,955)	-	9,495,716
W/W collection and distribution	165,109,996	813,138	(251,686)	72,919	165,744,367
Capitalized interest and engineering	9,077,383	-	(41,929)	-	9,035,454
	<u>277,430,969</u>	<u>3,238,543</u>	<u>(2,100,724)</u>	<u>352,840</u>	<u>278,921,628</u>
Less accumulated depreciation for:					
Land improvements	(15,966,026)	(852,768)	55,827	-	(16,762,967)
Building and improvements	(17,704,163)	(899,757)	423,099	-	(18,180,821)
Machinery and equipment	(14,344,001)	(2,120,786)	1,131,393	-	(15,333,394)
Lagoons	(4,362,503)	(307,658)	8,239	-	(4,661,922)
W/W collection and distribution	(55,088,081)	(5,072,081)	210,881	-	(59,949,281)
Capitalized interest and engineering	(5,974,365)	(308,112)	39,794	-	(6,242,683)
	<u>(113,439,139)</u>	<u>(9,561,162)</u>	<u>1,869,233</u>	<u>-</u>	<u>(121,131,068)</u>
Total capital assets being depreciated, net	<u>163,991,830</u>	<u>(6,322,619)</u>	<u>(231,491)</u>	<u>352,840</u>	<u>157,790,560</u>
Business-type activities capital assets, net	<u>\$ 183,968,076</u>	<u>\$ (6,076,503)</u>	<u>\$ (234,588)</u>	<u>\$ -</u>	<u>\$ 177,656,985</u>

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

Depreciation of governmental activities by function

General government	\$ 1,218,482
Judicial	4,865
Public safety	399,309
Health	344,447
Welfare	5,821
Recreation	258,572
Internal service fund	<u>1,262,677</u>
Total depreciation expense - governmental activities	<u>\$ 3,494,173</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Depreciation of business-type activities by function

Airport	\$ 1,236,705
Regional water	436,772
Wastewater	6,357,916
Brookhaven Medical Care Facility	145,645
Other enterprise funds	<u>1,384,124</u>
 Total depreciation expense - business type activities	 <u><u>\$ 9,561,162</u></u>

At year end the County had outstanding commitments of approximately \$1.5 million for equipment and \$2.1 million for construction of the new juvenile jail transition center.

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>(705,159)</u>	<u>(82,162)</u>	<u>-</u>	<u>-</u>	<u>(787,321)</u>
Drainage Districts capital assets, net	<u>\$ 3,402,950</u>	<u>\$ (82,162)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,320,788</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, 2013:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 21,925,000	\$ -	\$ (1,865,000)	\$ 20,060,000	\$ 1,920,000
Land contract note payable	70,000	-	(25,000)	45,000	25,000
Installment purchase agreement	2,033,937	-	(665,325)	1,368,612	677,900
Total installment debt	24,028,937	-	(2,555,325)	21,473,612	2,622,900
Compensated absences	6,932,095	1,229,946	(1,386,419)	6,775,622	1,355,125
Total governmental activities	\$ 30,961,032	\$ 1,229,946	\$ (3,941,744)	\$ 28,249,234	\$ 3,978,025
Business-type activities					
General obligation bonds	\$ 28,965,000	\$ -	\$ (1,120,000)	\$ 27,845,000	\$ 1,145,000
Revenue bonds	82,718,365	-	(4,335,000)	78,383,365	4,390,000
Notes payable	16,000,000	12,000,000	(12,000,000)	16,000,000	12,000,000
Total installment debt	127,683,365	12,000,000	(17,455,000)	122,228,365	17,535,000
Premium on bonds payable	495,211	12,920	(70,098)	438,033	44,985
Closure and sludge cost	13,275,475	358,103	(491,972)	13,141,606	540,028
Compensated absences	1,642,922	287,850	(328,584)	1,602,188	320,438
Total business-type activities	\$ 143,096,973	\$ 12,658,873	\$ (18,345,654)	\$ 137,410,192	\$ 18,440,451

Governmental Activities

General obligation bonds

\$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.

\$ 3,545,000

\$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.

5,675,000

\$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.

4,185,000

\$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.

6,655,000

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Governmental Activities (Continued)

Land contract

\$95,000 land contract promissory note, due in annual installments of \$20,000 to \$25,000, non-interest bearing, through November 1, 2014. \$ 45,000

Installment purchase agreement

\$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. 1,368,612

Total governmental activities

\$ 21,473,612

Business-type Activities

General obligation bonds

\$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. \$ 3,205,000

\$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. 4,975,000

\$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. 18,965,000

\$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. 700,000

Revenue bonds

\$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. 7,075,000

\$9,215,000 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. 7,625,000

\$12,380,000 2011 Wastewater Revenue Refunding Bond, payable to MFA 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. 10,600,000

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Business-type Activities (Continued)

\$17,440,604 2005 Wastewater Revenue Bond, payable to MFA in annual installments of \$790,000 to \$991,560 plus interest at 1.625%, payable semi-annually, through April 1, 2027.	\$ 12,746,560
\$14,000,000 2006 Wastewater Revenue Bond, payable to MFA in annual installments of \$625,000 to \$815,000 plus interest at 1.625%, payable semi-annually, through April 1, 2028.	10,920,000
\$1,800,000 2007 Wastewater Revenue Bond, payable to MFA in annual installments of \$80,000 to \$105,000 plus interest at 1.625%, payable semi-annually, through October 1, 2026.	1,320,000
\$843,413 2008 Wastewater Revenue Bond, payable to MFA in annual installments of \$40,000 to \$58,316 plus interest at 2.50%, payable semi-annually, through April 1, 2028.	703,316
\$15,154,830 2008 Wastewater Revenue Bond, payable to MFA in annual installments of \$620,000 to \$939,830 plus interest at 2.50%, payable semi-annually, through April 1, 2029.	12,579,830
\$17,480,000 2008 Wastewater Revenue Bond, payable to MFA in annual installments of \$680,000 to \$1,095,000 plus interest at 2.50%, payable semi-annually, through April 1, 2029.	13,367,676
\$1,664,983 2010 Wastewater Revenue Bond, payable to MFA in annual installments of \$70,000 to \$105,983 plus interest at 2.50%, payable semi-annually, through April 1, 2030.	1,445,983
Notes payable	
\$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.	4,000,000
\$12,000,000 2012 General Obligation Tax Note, due in installments of \$4,000,000 plus interest at 0.25%, payable semi-annually, through December 1, 2014.	<u>12,000,000</u>
Total business-type activities	<u><u>\$ 122,228,365</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
2014	\$ 2,622,900	\$ 1,054,455	\$ 17,535,000	\$ 3,452,423
2015	2,690,712	972,925	9,650,000	3,241,771
2016	2,040,000	883,258	5,765,000	3,076,462
2017	925,000	801,470	5,905,000	2,908,299
2018	965,000	758,136	6,070,000	2,743,920
2019-2023	4,835,000	3,083,510	30,720,000	11,025,983
2024-2028	3,750,000	1,889,058	30,499,876	6,186,888
2029-2033	3,645,000	560,725	9,448,489	2,516,336
2034-2038	-	-	6,635,000	686,393
	<u>\$ 21,473,612</u>	<u>\$ 10,003,537</u>	<u>\$ 122,228,365</u>	<u>\$ 35,838,475</u>

Bonds payable to Michigan Finance Authority (MFA), successor to the 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, MFA 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
2012	\$ 4,528,478	\$ 19,623,026	\$ (20,323,731)	\$ 3,827,773
2013	3,827,773	17,485,491	(18,004,444)	3,308,820

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 0.0-7.57% of their annual covered salary. The County is required to contribute at an actuarially determined rate; the current rate varies as a percentage of annual covered payroll from 0.00 to 39.03%. 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, 2013, the County's actual and required contribution for MERS was \$4,954,169. The required contribution was determined as part of the December 31, 2010 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 from 1% to 4.5% per year compounded annually, attributable to inflation; (c) additional projected salary increases of 0.0% to 13% 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, 2012, the date of the latest actuarial valuation, was from 16 to 26 years depending on employment division.

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
2011	\$ 5,254,385	100%	\$ -
2012	5,478,669	100%	-
2013	4,954,169	100%	-

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Plan was 76 percent funded. The actuarial accrued liability for benefits was \$235,278,019, and the actuarial value of assets was \$178,796,042, resulting in an unfunded actuarial accrued liability (UAAL) of \$56,481,977. The covered payroll (annual payroll of active employees covered by the Plan) was \$39,170,895, and the ratio of the UAAL to the covered payroll was 144 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 2.0-3.0% of each participant's base salary to the plan. Employees are required to contribute a minimum of 3.0-4.5% 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 \$269,133 and \$441,548 respectively 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

Membership of the Plan consisted of the following for the actuarial valuation used for the fiscal year ended September 30, 2013:

Retirees and beneficiaries receiving benefits	515
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>797</u>
 Total	 <u><u>1,312</u></u>

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. For each of the 14 employee benefits divisions, the current ARC rate ranges from 9.3% to 59.8% of covered payroll with 15.8% representing the County average. 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	94,296
Adjustment to annual required contribution	<u>(75,495)</u>
 Net OPEB cost (expense)	 5,809,114
Contributions made	<u>(4,528,341)</u>
 Increase in net OPEB obligation	 1,280,773
Net OPEB obligation, beginning of year	<u>1,178,700</u>
 Net OPEB obligation, end of year	 <u><u>\$ 2,459,473</u></u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2013 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
2011	\$ 6,654,542	100%	\$ -
2012	5,790,313	80%	1,178,700
2013	5,809,114	78%	2,459,473

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

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Plan was 49.1% funded. The actuarial accrued liability for benefits was \$82,356,475, and the actuarial value of assets was \$40,459,023, resulting in an unfunded actuarial accrued liability (UAAL) of \$41,897,452. The covered payroll (annual payroll of active employees covered by the Plan) was \$38,262,533, and the ratio of the UAAL to the covered payroll was 109.5% 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

The required contribution was determined as part of the December 31, 2012 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 depending on age, attributable to sonority/merit; and d) projected healthcare benefit increases of 3.5% to 8.5%. 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 24 years for closed groups and as level percent of payroll over the next 24 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 \$283,851 for the year ended September 30, 2013.

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 \$11.4 million reported as landfill closure and post-closure care liability at September 30, 2013 represents the cumulative amount reported to date based on the use of 64 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 9 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$13.0 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 2013. 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 \$2,006,119 held in trust as of September 30, 2013. 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
FUND BALANCES, GOVERNMENTAL FUNDS				
Nonspendable:				
Inventories	\$ -	\$ -	\$ 17,440	\$ 17,440
Prepays	-	142,568	-	142,568
Long-term advances and notes receivable	2,527,946	-	875,000	3,402,946
Permanent fund corpus	-	-	37,233	37,233
Total nonspendable	<u>2,527,946</u>	<u>142,568</u>	<u>929,673</u>	<u>3,600,187</u>
Restricted for:				
Training	22,568	-	-	22,568
Heritage Landing Improvements	22,492	-	-	22,492
Community Mental Health	-	429,695	-	429,695
Health Department	-	-	289,439	289,439
Accommodation Tax	-	-	596,820	596,820
Grant programs	-	-	38,812	38,812
Forfeited property	-	-	2,540	2,540
Deed Automation Fund	-	-	1,153,684	1,153,684
Stormwater Committee	-	-	33,648	33,648
EDC Loan Revolving	-	-	137,958	137,958
Veterans' Care & Trust	-	-	52,011	52,011
Mental Health Buildings	-	-	88,699	88,699
Victim Restitution	-	-	38,998	38,998
Debt repayment	-	-	597,514	597,514
Unspent bond proceeds	-	-	8	8
Capital projects	-	-	53,888	53,888
Total restricted	<u>45,060</u>	<u>429,695</u>	<u>3,084,019</u>	<u>3,558,774</u>
Committed for:				
Parks	-	-	242,555	242,555
Strategic Planning	-	-	23	23
Grant programs	-	-	36,630	36,630
Total committed	<u>-</u>	<u>-</u>	<u>279,208</u>	<u>279,208</u>
Assigned for:				
Emergency Services	-	-	10,180	10,180
Marine Safety	-	-	17,724	17,724
Health Department	-	-	502,759	502,759
Crime Victims' Rights	-	-	1,058	1,058
Capital projects	-	-	4,678,708	4,678,708
Total assigned	<u>-</u>	<u>-</u>	<u>5,210,429</u>	<u>5,210,429</u>
Unassigned	7,216,521	-	-	7,216,521
Total fund balances, government funds	<u>\$ 9,789,527</u>	<u>\$ 572,263</u>	<u>\$ 9,503,329</u>	<u>\$ 19,865,119</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

17. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of September 30, 2013, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 6,636,152	\$ 19,866,425	\$ 24,723,713
Capital assets being depreciated, net	68,584,359	157,790,560	44,646,302
	<u>75,220,511</u>	<u>177,656,985</u>	<u>69,370,015</u>
Related debt:			
Total installment debt	21,473,612	122,228,365	200,000
Net bond premium	-	438,033	-
Deferred loss on advance refunding	(147,360)	-	-
Unexpended bond proceeds	(8)	-	-
General obligation tax notes	-	(16,000,000)	-
Bond premium on tax notes	-	(16,897)	-
Bonds payable related to capital leases	-	(27,845,000)	-
	<u>21,326,244</u>	<u>78,804,501</u>	<u>200,000</u>
Net investment in capital assets	<u>\$ 53,894,267</u>	<u>\$ 98,852,484</u>	<u>\$ 69,170,015</u>

18. SUBSEQUENT EVENTS

Subsequent to September 30, 2013, the County issued bonds totaling \$38,870,000 for the jail facility and juvenile transition center. The bonds are payable in annual installments ranging from \$1,005,000 to \$5,025,000, beginning in October 2018, with interest at 4.75% through October 2032.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

19. RESTATEMENTS

The County adopted the provisions of GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. In addition to the revised classification of certain financial elements in the financial statements, the implementation of GASB Statement No. 65 resulted in a restatement of net position due to the elimination of the presentation of bond issuance costs as an asset amortized over the life of the related bonds. As a result of this change in accounting principle, beginning net position of governmental activities, business-type activities, the Wastewater enterprise fund and the Muskegon County Road Commission component unit decreased by \$38,766, \$198,612, \$198,612 and \$7,181, respectively.

■ ■ ■ ■ ■



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)
12/31/2007	\$ 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%
12/31/2012	178,796,042	235,278,019	56,481,977	76.0%	39,170,895	144.2%

Schedule of Employer Contributions		
Year Ended September 30,	Annual Required Contributions	Percentage Contributed
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%
2013	4,954,169	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)
12/31/2007	\$ 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%
12/31/2012	40,459,023	82,356,475	41,897,452	49.1%	38,262,533	109.5%

Schedule of Employer Contributions		
Year Ended September 30,	Annual Required Contributions	Percentage Contributed
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%
2013	5,790,313	78%



**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, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
General government:				
Friend of the Court	\$ 3,578,749	\$ 3,324,913	\$ 3,349,039	\$ 24,126
Administration	953,956	850,042	841,466	(8,576)
Residential Energy Efficiency Program	-	443,507	443,209	(298)
Elections	170,371	223,777	208,454	(15,323)
Accounting	729,406	656,781	643,098	(13,683)
Corporate Counsel	115,600	115,695	113,405	(2,290)
County Clerk	382,906	430,835	423,206	(7,629)
Circuit Court Records	502,739	470,239	440,074	(30,165)
Juror Showcase	13,000	13,000	7,884	(5,116)
Equalization	1,520,295	1,552,303	1,486,080	(66,223)
Human Resources	263,594	247,334	253,439	6,105
City of Muskegon	98,291	86,975	85,877	(1,098)
Prosecutor	1,991,786	2,041,745	2,018,721	(23,024)
Purchasing	140,969	154,263	154,207	(56)
Register of Deeds	564,957	566,564	537,365	(29,199)
Johnny O. Harris Building	3,286	3,875	3,755	(120)
Training Center	98,652	106,206	107,959	1,753
Central Services Building	-	13,810	15,737	1,927
Stark Hall	26,278	15,215	16,793	1,578
Treasurer	472,095	405,917	456,656	50,739
Shady Grove Cemetery	2,121	2,947	1,628	(1,319)
Cordova Site O&M	2,554	1,175	1,168	(7)
Courthouse and Grounds	1,058,600	989,464	1,087,011	97,547
Oak Ave. Building	165,968	160,598	159,746	(852)
County Jail Building	392,125	390,263	390,162	(101)
Heritage Landing O&M	73,006	140,296	140,193	(103)
Drain Commissioner	258,103	276,822	269,820	(7,002)
Plat Board	700	-	-	-
Vehicle Pool	15,000	19,200	22,289	3,089
State Institutions	117,860	259,504	345,775	86,271
Information Systems	600,650	481,927	556,334	74,407
Prosecutor Family Court	221,162	216,470	198,260	(18,210)
Appropriations	-	34,475	-	(34,475)
Misc Contingency	957,629	644,004	678,362	34,358
Total general government	<u>15,492,408</u>	<u>15,340,141</u>	<u>15,457,172</u>	<u>117,031</u>
Legislative:				
Board of Commissioners	<u>399,620</u>	<u>398,990</u>	<u>378,760</u>	<u>(20,230)</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department

Budget and Actual

General Fund

For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Judicial:				
Circuit Court	\$ 1,449,084	\$ 1,171,632	\$ 1,153,795	\$ (17,837)
Circuit Court Collections	68,527	72,301	65,614	(6,687)
District Court	3,235,242	3,341,300	3,279,607	(61,693)
Probation Cobo Hall Tax	174,456	177,365	173,673	(3,692)
District Court Collections	175,794	187,842	185,659	(2,183)
Law Library	29,625	21,115	15,569	(5,546)
Jury Commission	31,050	30,778	30,669	(109)
Probate Court	791,606	813,564	788,999	(24,565)
Juvenile Court	729,595	680,354	700,687	20,333
State Probation	70,270	61,104	59,552	(1,552)
Public Defender	1,104,453	1,137,658	1,141,086	3,428
Total judicial	<u>7,859,702</u>	<u>7,695,013</u>	<u>7,594,910</u>	<u>(100,103)</u>
Public safety:				
Designated & Pass-thru Revenues	1,581,161	1,076,333	1,132,981	56,648
Facility Security Services	88,226	138,688	124,610	(14,078)
Sheriff Operations	3,467,593	3,679,209	3,784,863	105,654
Sheriff Administration	358,657	459,864	455,845	(4,019)
Officer Training Act 302	10,000	10,000	21,004	11,004
Correction Officer Training	68,117	60,000	56,246	(3,754)
Sheriff Jail	5,834,293	6,154,257	6,217,934	63,677
Courtroom Security	1,062,171	1,085,076	1,103,935	18,859
Vector Control	376,561	427,381	399,864	(27,517)
Total public safety	<u>12,846,779</u>	<u>13,090,808</u>	<u>13,297,282</u>	<u>206,474</u>
Culture:				
MSU Extension	170,804	176,726	174,951	(1,775)
Fairgrounds Training Center	-	40,532	40,064	(468)
Total culture	<u>170,804</u>	<u>217,258</u>	<u>215,015</u>	<u>(2,243)</u>
Total expenditures	<u>\$ 36,769,313</u>	<u>\$ 36,742,210</u>	<u>\$ 36,943,139</u>	<u>\$ 200,929</u>

concluded



COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

Special Revenue Funds

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.

Port Security (1201)--to account for grant funding appropriated under the U.S. Department of Homeland Security Port Security Grant Program and local matching funds to support maritime transportation infrastructure security activities.

Jail Education Support (1202)--to account for monies granted by the U.S. Department of Education that pass through the Michigan Department of Education state program and are distributed by Muskegon Public Schools to the Muskegon County Jail to provide support to neglected and delinquent children in local correctional institutions.

Highway Safety Programs (1210)--to account for monies granted to the county by the state for the purpose of providing additional car miles of traffic safety enforcement, emergency assistance, safety inspection and accident prevention patrol of roads and parks as described in P.A. 416 of 1978.

Township Patrols (1240)--to account for monies received by the County from participating townships to provide enhanced road patrol protection to those geographic areas.

Park Fund (2080)--to account for monies received by park fees and vehicle permits and County appropriations for operation and administration of all park lands and properties in Muskegon County.

Access & Visitation (2151)--to account for monies granted to the County by the State of Michigan to provide for direct services that support and facilitate noncustodial parents access to and visitation with their children including monitored and therapeutic parenting time and neutral drop off services.

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.

Community HUB (2216)-- to account for staff activities working with care coordination agencies that deploy community health workers who link eligible high-risk adults with needed health and social services to improve health outcomes and reduce costs of care. Funding for this project is provided by a three-year Centers for Medicare & Medicaid Services (CMS) Innovations Grant awarded to the Michigan Public Health Institute with the sub-recipient of the Muskegon Community Health Project which contracts with the County of Muskegon to act as the Community HUB.

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.

Habitat Conservation Grant (2271)-- to account for funds granted by the National Oceanic and Atmospheric Administration (NOAA) and local matching funds to support the acquisition of property to be able to restore the wetlands and improve the water quality of Bear Lake over the long term.

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, as amended.

Parks Development (2411)--to account for monies received from grants and other sources for the improvement and development of the various County Parks.

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.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

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.

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

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.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

WIA Youth Programs (2762)--to account for Federal pass-through funds used pursuant to the goals of the local community and Workforce Investment Act to provide youth opportunities for assistance in both academic and occupational learning; developing leadership skills; and preparing for further educational opportunities, additional training, and eventual employment.

WIA Dislocated Worker Program (2763)--to account for Federal pass-through funds used in coordination with unemployment compensation, Trade Adjustment Assistance and Rapid Response assistance to provide the dislocated worker population job finding, placement, and re-employment services.

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

WIA 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.

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

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

JAG ARRA Crime Analysis (2835)--to account for grant funding from the Michigan State Police and local matching funds to support the local Multi-Jurisdictional Task Force on Burglaries and Property Crime with the acquisition and installation of crime link analysis software to perform predictive future crime analysis.

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-Ruchs 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 Fund (2910)--to account for the operations of the Muskegon County Department of Human Services state funds for providing assistance in housing, food and child care for the indigent population in Muskegon County. As of January 2013 the only remaining costs are Muskegon County DHS Board expenses because at that time the County of Midland Accounting Service Center became fiscal agent to account for these the assistance services.

Child Care Fund (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.

Veterans Care (2930)--to account for dedicated tax millage funds dedicated to providing assistance to indigent U.S. military veterans and their families at the direction of the County Department of Veterans Affairs.

County Veterans Trust (2940)--to account for monies distributed by the state treasurer from the Michigan Veterans Trust Fund to aid needy U.S. military veterans at the direction of the County Department of Veterans Affairs.

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.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

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.

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.

Jail Building (4660)-- to record the revenue and expenditures for the construction of a county jail building and juvenile transition center.

Public Improvement (4930)--established by appropriation from the County's General Fund for future general projects developed according to the County's capital improvement budgeting program. While its use is intended for capital improvements, it is not restricted to that purpose.

Capital Improvement (4960)--to account for resources used for the acquisition of capital facilities. Its purpose is to accumulate funds to finance, entirely or partially, capital projects from resources other than bond indebtedness.

Permanent Funds

Cemetery Trust (1500)--to account for monies earned and expended on the flower maintenance of Cemetery plots in County maintained cemeteries.

Medical Care Facility Endowment (1550)--to account for monies earned and expended for the residents of the Brookhaven Medical Care Facility.



COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2013

	Special Revenue Funds						
	Sobriety Court (1170)	Emergency Services (1190)	Marine Safety (1200)	Port Security (1201)	Jail Education Support (1202)	Highway Safety Programs (1210)	Township Patrols (1240)
ASSETS							
Cash and investments	\$ 12,866	\$ 2,994	\$ -	\$ 37,755	\$ -	\$ -	\$ 8,026
Receivables, net:							
Accounts	-	11,366	-	-	-	-	-
Due from other governments	-	-	78,870	85,327	9,477	34,455	-
Accrued interest	-	-	-	-	-	-	-
Long-term notes	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 12,866</u>	<u>\$ 14,360</u>	<u>\$ 78,870</u>	<u>\$ 123,082</u>	<u>\$ 9,477</u>	<u>\$ 34,455</u>	<u>\$ 8,026</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Negative equity in pooled cash	\$ -	\$ -	\$ 58,165	\$ -	\$ 4,425	\$ 27,898	\$ -
Payables:							
Accounts payable	9,426	3,055	46	123,082	5,052	-	-
Due to other governments	-	-	-	-	-	-	-
Accrued liabilities	3,440	1,125	2,935	-	-	6,557	4,820
Unearned revenue	-	-	-	-	-	-	3,206
Total liabilities	<u>12,866</u>	<u>4,180</u>	<u>61,146</u>	<u>123,082</u>	<u>9,477</u>	<u>34,455</u>	<u>8,026</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	10,180	17,724	-	-	-	-
Total fund balances	<u>-</u>	<u>10,180</u>	<u>17,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 12,866</u>	<u>\$ 14,360</u>	<u>\$ 78,870</u>	<u>\$ 123,082</u>	<u>\$ 9,477</u>	<u>\$ 34,455</u>	<u>\$ 8,026</u>

Special Revenue Funds

Park Fund (2080)	Access & Visitation (2151)	Health Department (2210)	Lead Hazard Grant (2212)	Community Hub (2216)	Sustainability Grant (2261)	NOAA Habitat Conservation Grant (2271)	Accommodations Tax (2300)	Parks Development (2411)	CDBG Housing Grant (2470)
\$ 259,223	\$ -	\$ 1,159,096	\$ -	\$ 20,819	\$ -	\$ 6	\$ 528,397	\$ -	\$ -
377	-	769	-	-	-	-	113,500	-	8,220
-	1,660	73,675	80,480	-	24,644	-	-	-	-
591	-	660	-	-	-	-	1,238	-	-
-	-	-	-	-	-	-	-	-	-
-	-	17,440	-	-	-	-	-	-	-
<u>\$ 260,191</u>	<u>\$ 1,660</u>	<u>\$ 1,251,640</u>	<u>\$ 80,480</u>	<u>\$ 20,819</u>	<u>\$ 24,644</u>	<u>\$ 6</u>	<u>\$ 643,135</u>	<u>\$ -</u>	<u>\$ 8,220</u>
\$ -	\$ -	\$ -	\$ 74,638	\$ -	\$ 24,644	\$ -	\$ -	\$ -	\$ 8,220
10,959	1,630	183,287	3,091	1,035	-	-	41,759	-	-
-	-	101,744	-	-	-	-	-	-	-
6,677	-	146,971	2,751	-	-	-	4,556	-	-
-	-	10,000	-	-	-	-	-	-	-
<u>17,636</u>	<u>1,630</u>	<u>442,002</u>	<u>80,480</u>	<u>1,035</u>	<u>24,644</u>	<u>-</u>	<u>46,315</u>	<u>-</u>	<u>8,220</u>
-	-	17,440	-	-	-	-	-	-	-
-	30	289,439	-	19,784	-	6	596,820	-	-
242,555	-	-	-	-	-	-	-	-	-
-	-	502,759	-	-	-	-	-	-	-
<u>242,555</u>	<u>30</u>	<u>809,638</u>	<u>-</u>	<u>19,784</u>	<u>-</u>	<u>6</u>	<u>596,820</u>	<u>-</u>	<u>-</u>
<u>\$ 260,191</u>	<u>\$ 1,660</u>	<u>\$ 1,251,640</u>	<u>\$ 80,480</u>	<u>\$ 20,819</u>	<u>\$ 24,644</u>	<u>\$ 6</u>	<u>\$ 643,135</u>	<u>\$ -</u>	<u>\$ 8,220</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2013

	Special Revenue Funds						
	Neighborhood Stabilization Grant (2471)	Deed Automation Fund (2560)	Community Corrections (2640)	TNT Drug (2671)	Prosecutor Drug (2672)	JAG - ARRA (2675)	Wagner Peyser (2731)
ASSETS							
Cash and investments	\$ -	\$ 1,154,152	\$ -	\$ 697	\$ 1,843	\$ -	\$ -
Receivables, net:							
Accounts	40,044	-	-	-	-	-	5,447
Due from other governments	59,518	-	18,608	-	-	-	37,398
Accrued interest	-	2,833	-	-	-	-	-
Long-term notes	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 99,562</u>	<u>\$ 1,156,985</u>	<u>\$ 18,608</u>	<u>\$ 697</u>	<u>\$ 1,843</u>	<u>\$ -</u>	<u>\$ 42,845</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Negative equity in pooled cash	\$ 85,006	\$ -	\$ 8,105	\$ -	\$ -	\$ -	\$ 35,243
Payables:							
Accounts payable	576	3,301	2,944	-	-	-	2,683
Due to other governments	-	-	2,486	-	-	-	154
Accrued liabilities	-	-	5,073	-	-	-	4,765
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>85,582</u>	<u>3,301</u>	<u>18,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,845</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	13,980	1,153,684	-	697	1,843	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>13,980</u>	<u>1,153,684</u>	<u>-</u>	<u>697</u>	<u>1,843</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 99,562</u>	<u>\$ 1,156,985</u>	<u>\$ 18,608</u>	<u>\$ 697</u>	<u>\$ 1,843</u>	<u>\$ -</u>	<u>\$ 42,845</u>

Special Revenue Funds

Trade Adjustment Assistance (2733)	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 Service Center Operations (2767)
\$ -	\$ 328,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ -
-	2,534	4,916	-	-	-	-	-	-	-
89,475	-	536,109	-	15,273	39,948	63,423	77,647	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 89,475</u>	<u>\$ 331,348</u>	<u>\$ 541,025</u>	<u>\$ -</u>	<u>\$ 15,273</u>	<u>\$ 39,948</u>	<u>\$ 63,423</u>	<u>\$ 77,647</u>	<u>\$ 23</u>	<u>\$ -</u>
\$ 41,692	\$ -	\$ 350,087	\$ -	\$ 11,498	\$ 25,473	\$ 55,475	\$ 53,866	\$ -	\$ -
45,081	66,527	150,682	-	347	10,204	554	19,431	-	-
-	257,657	-	-	-	-	-	-	-	-
2,702	7,164	40,256	-	3,428	4,271	7,394	4,350	-	-
-	-	-	-	-	-	-	-	-	-
<u>89,475</u>	<u>331,348</u>	<u>541,025</u>	<u>-</u>	<u>15,273</u>	<u>39,948</u>	<u>63,423</u>	<u>77,647</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	23	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 89,475</u>	<u>\$ 331,348</u>	<u>\$ 541,025</u>	<u>\$ -</u>	<u>\$ 15,273</u>	<u>\$ 39,948</u>	<u>\$ 63,423</u>	<u>\$ 77,647</u>	<u>\$ 23</u>	<u>\$ -</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2013

	Special Revenue Funds						
	WIA ARRA NEG (2775)	WIA Gold Standard Evaluation (2788)	Reemploy- ment Services EUC (2789)	United Way Summer Youth (2790)	JET SSI Pilot (2791)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)
ASSETS							
Cash and investments	\$ -	\$ 36,630	\$ -	\$ 2,980	\$ -	\$ -	\$ 33,648
Receivables, net:							
Accounts	-	-	-	-	-	-	-
Due from other governments	578	-	44,273	-	-	47,274	-
Accrued interest	-	-	-	-	-	-	-
Long-term notes	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 578</u>	<u>\$ 36,630</u>	<u>\$ 44,273</u>	<u>\$ 2,980</u>	<u>\$ -</u>	<u>\$ 47,274</u>	<u>\$ 33,648</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Negative equity in pooled cash	\$ 578	\$ -	\$ 22,799	\$ -	\$ -	\$ 40,530	\$ -
Payables:							
Accounts payable	-	-	18,242	1,517	-	567	-
Due to other governments	-	-	-	-	-	-	-
Accrued liabilities	-	-	3,232	-	-	5,119	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>578</u>	<u>-</u>	<u>44,273</u>	<u>1,517</u>	<u>-</u>	<u>46,216</u>	<u>-</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	1,463	-	-	33,648
Committed	-	36,630	-	-	-	-	-
Assigned	-	-	-	-	-	1,058	-
Total fund balances	<u>-</u>	<u>36,630</u>	<u>-</u>	<u>1,463</u>	<u>-</u>	<u>1,058</u>	<u>33,648</u>
Total liabilities and fund balances	<u>\$ 578</u>	<u>\$ 36,630</u>	<u>\$ 44,273</u>	<u>\$ 2,980</u>	<u>\$ -</u>	<u>\$ 47,274</u>	<u>\$ 33,648</u>

Special Revenue Funds

Project Safe Neighborhoods (2834)	JAG ARRA Crime Analysis (2835)	EDC Loan Revolving (2860)	Rambusch - Ruchs CDBG Grant (2873)	Remonumentation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Care (2930)	Veteran's Trust (2940)	Mental Health Buildings (2970)
\$ -	\$ -	\$ 81,924	\$ 3,549	\$ 22,524	\$ 16,364	\$ 1,272	\$ 52,238	\$ 864	\$ 102,484
-	-	55,839	-	-	-	5,083	-	-	-
-	-	-	-	-	3,350	1,901,642	-	3,447	-
-	-	195	-	-	-	-	250	-	258
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,958</u>	<u>\$ 3,549</u>	<u>\$ 22,524</u>	<u>\$ 19,714</u>	<u>\$ 1,907,997</u>	<u>\$ 52,488</u>	<u>\$ 4,311</u>	<u>\$ 102,742</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,661,416	\$ -	\$ -	\$ -
-	-	-	-	-	17,062	178,341	1,341	3,447	13,663
-	-	-	-	-	2,652	2,646	-	-	-
-	-	-	-	-	-	63,258	-	-	380
-	-	-	-	22,524	-	2,336	-	-	-
-	-	-	-	<u>22,524</u>	<u>19,714</u>	<u>1,907,997</u>	<u>1,341</u>	<u>3,447</u>	<u>14,043</u>
-	-	-	-	-	-	-	-	-	-
-	-	137,958	3,549	-	-	-	51,147	864	88,699
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	137,958	3,549	-	-	-	51,147	864	88,699
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,958</u>	<u>\$ 3,549</u>	<u>\$ 22,524</u>	<u>\$ 19,714</u>	<u>\$ 1,907,997</u>	<u>\$ 52,488</u>	<u>\$ 4,311</u>	<u>\$ 102,742</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2013

	Special Revenue Funds	Debt Service Funds			Capital Projects Funds		
	Quality of Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)	Hall of Justice (4130)	CMH Apple Building (4140)	Heritage Landing Development (4180)
ASSETS							
Cash and investments	\$ 38,902	\$ 454,459	\$ -	\$ 140,512	\$ 2,350	\$ 69,760	\$ 67,741
Receivables, net:							
Accounts	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Accrued interest	96	2,394	8	149	-	2	-
Long-term notes	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 38,998</u>	<u>\$ 456,853</u>	<u>\$ 8</u>	<u>\$ 140,661</u>	<u>\$ 2,350</u>	<u>\$ 69,762</u>	<u>\$ 67,741</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Negative equity in pooled cash	\$ -	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ -
Payables:							
Accounts payable	-	-	-	-	2,350	69,754	-
Due to other governments	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>2,350</u>	<u>69,754</u>	<u>-</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	38,998	456,853	-	140,661	-	8	53,888
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	13,853
Total fund balances	<u>38,998</u>	<u>456,853</u>	<u>-</u>	<u>140,661</u>	<u>-</u>	<u>8</u>	<u>67,741</u>
Total liabilities and fund balances	<u>\$ 38,998</u>	<u>\$ 456,853</u>	<u>\$ 8</u>	<u>\$ 140,661</u>	<u>\$ 2,350</u>	<u>\$ 69,762</u>	<u>\$ 67,741</u>

Capital Projects Funds			Permanent Funds		Total
Jail Building (4660)	Public Improvement (4930)	Capital Improvement (4960)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	
\$ 5,050,914	\$ -	\$ -	\$ 37,092	\$ -	\$ 9,730,918
-	-	-	-	-	248,095
-	-	-	-	-	3,326,551
-	1,879	-	141	-	10,694
-	600,000	300,000	-	-	900,000
-	-	-	-	-	17,440
<u>\$ 5,050,914</u>	<u>\$ 601,879</u>	<u>\$ 300,000</u>	<u>\$ 37,233</u>	<u>\$ -</u>	<u>\$ 14,233,698</u>
\$ -	\$ 20,258	\$ -	\$ -	\$ -	\$ 2,610,024
392,680	-	-	-	-	1,383,716
-	-	-	-	-	367,339
-	-	-	-	-	331,224
-	-	-	-	-	38,066
<u>392,680</u>	<u>20,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,730,369</u>
-	575,000	300,000	37,233	-	929,673
-	-	-	-	-	3,084,019
-	-	-	-	-	279,208
<u>4,658,234</u>	<u>6,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,210,429</u>
<u>4,658,234</u>	<u>581,621</u>	<u>300,000</u>	<u>37,233</u>	<u>-</u>	<u>9,503,329</u>
<u>\$ 5,050,914</u>	<u>\$ 601,879</u>	<u>\$ 300,000</u>	<u>\$ 37,233</u>	<u>\$ -</u>	<u>\$ 14,233,698</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, 2013

	Special Revenue Funds						
	Sobriety Court (1170)	Emergency Services (1190)	Marine Safety (1200)	Port Security (1201)	Jail Education Support (1202)	Highway Safety Programs (1210)	Township Patrols (1240)
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	30,000	304,758	-	305,000	9,477	80,213	-
State	-	-	88,892	-	-	143,100	-
Local	-	-	-	-	-	-	109,239
Charges for services	100,091	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	2,848	-	-	-	-	-
Total revenues	<u>130,091</u>	<u>307,606</u>	<u>88,892</u>	<u>305,000</u>	<u>9,477</u>	<u>223,313</u>	<u>109,239</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Judicial	337,943	-	-	-	-	-	-
Public safety	-	220,160	125,219	23,085	9,477	299,844	205,860
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Cultural	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	208,610	-	348,130	-	-	-
Total expenditures	<u>337,943</u>	<u>428,770</u>	<u>125,219</u>	<u>371,215</u>	<u>9,477</u>	<u>299,844</u>	<u>205,860</u>
Revenues over (under) expenditures	<u>(207,852)</u>	<u>(121,164)</u>	<u>(36,327)</u>	<u>(66,215)</u>	<u>-</u>	<u>(76,531)</u>	<u>(96,621)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	88,681	104,879	36,328	66,215	-	76,531	96,621
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>88,681</u>	<u>104,879</u>	<u>36,328</u>	<u>66,215</u>	<u>-</u>	<u>76,531</u>	<u>96,621</u>
Net change in fund balances	<u>(119,171)</u>	<u>(16,285)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	119,171	26,465	17,723	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 10,180</u>	<u>\$ 17,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

Park Fund (2080)	Access & Visitation (2151)	Health Department (2210)	Lead Hazard Grant (2212)	Community Hub (2216)	Sustainability Grant (2261)	NOAA Habitat Conservation Grant (2271)	Accommodations Tax (2300)	Parks Development (2411)	CDBG Housing Grant (2470)
\$ -	\$ -	\$ 497,022	\$ -	\$ -	\$ -	\$ -	\$ 914,573	\$ -	\$ -
-	5,490	1,980,400	393,375	75,216	-	96,915	-	-	296,572
-	-	1,069,715	-	-	28,269	-	-	-	-
1,172	-	886	55,247	-	-	-	2,000	-	-
663,402	-	1,684,837	-	-	-	-	16,135	-	-
-	-	-	-	-	-	-	-	-	-
1,320	-	2,624	-	-	-	-	2,942	-	-
-	-	-	-	-	-	-	1,493	-	-
186	-	331,086	-	-	-	-	188	-	32,370
666,080	5,490	5,566,570	448,622	75,216	28,269	96,915	937,331	-	328,942
-	-	-	-	-	-	-	665,898	-	-
-	5,460	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	7,389,475	448,622	55,432	-	-	-	-	-
-	-	-	-	-	29,366	-	-	-	334,211
-	-	-	-	-	-	-	-	210	-
609,346	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
36,731	-	-	-	-	-	96,909	-	-	-
646,077	5,460	7,389,475	448,622	55,432	29,366	96,909	665,898	210	334,211
20,003	30	(1,822,905)	-	19,784	(1,097)	6	271,433	(210)	(5,269)
-	-	1,893,981	-	-	1,097	-	-	210	1,205
(26,354)	-	-	-	-	-	-	(130,629)	-	-
(26,354)	-	1,893,981	-	-	1,097	-	(130,629)	210	1,205
(6,351)	30	71,076	-	19,784	-	6	140,804	-	(4,064)
248,906	-	738,562	-	-	-	-	456,016	-	4,064
\$ 242,555	\$ 30	\$ 809,638	\$ -	\$ 19,784	\$ -	\$ 6	\$ 596,820	\$ -	\$ -

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2013

	Special Revenue Funds						
	Neighborhood Stabilization Grant (2471)	Deed Automation Fund (2560)	Community Corrections (2640)	TNT Drug (2671)	Prosecutor Drug (2672)	JAG - ARRA (2675)	Wagner Peysner (2731)
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	390,447	-	-	-	-	21,403	345,368
State	-	-	154,792	-	-	-	-
Local	-	-	-	-	-	-	-
Charges for services	-	191,930	10,700	-	-	-	-
Fines and forfeitures	-	-	-	839	-	-	-
Investment income	-	7,418	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	144,058	-	-	-	-	-	5,447
Total revenues	<u>534,505</u>	<u>199,348</u>	<u>165,492</u>	<u>839</u>	<u>-</u>	<u>21,403</u>	<u>350,815</u>
EXPENDITURES							
Current:							
General government	-	79,050	-	-	-	-	-
Judicial	-	-	-	-	-	-	-
Public safety	-	-	313,830	12,847	1,591	21,403	-
Health	-	-	-	-	-	-	-
Welfare	520,525	-	-	-	-	-	350,815
Cultural	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	52,550	-	-	-	-	-
Total expenditures	<u>520,525</u>	<u>131,600</u>	<u>313,830</u>	<u>12,847</u>	<u>1,591</u>	<u>21,403</u>	<u>350,815</u>
Revenues over (under) expenditures	<u>13,980</u>	<u>67,748</u>	<u>(148,338)</u>	<u>(12,008)</u>	<u>(1,591)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	148,338	-	-	-	-
Transfers out	-	(20,000)	-	(4,182)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(20,000)</u>	<u>148,338</u>	<u>(4,182)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>13,980</u>	<u>47,748</u>	<u>-</u>	<u>(16,190)</u>	<u>(1,591)</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	1,105,936	-	16,887	3,434	-	-
Fund balances, end of year	<u>\$ 13,980</u>	<u>\$ 1,153,684</u>	<u>\$ -</u>	<u>\$ 697</u>	<u>\$ 1,843</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds									
Trade Adjustment Assistance (2733)	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 Service Center Operations (2767)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
487,226	-	2,840,198	1,279	199,218	401,841	586,552	885,950	-	76,373
-	-	714,894	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	1,116	-	-	-	-	-	-	-	-
-	576	-	-	-	-	-	-	-	-
<u>487,226</u>	<u>1,692</u>	<u>3,555,092</u>	<u>1,279</u>	<u>199,218</u>	<u>401,841</u>	<u>586,552</u>	<u>885,950</u>	<u>-</u>	<u>76,373</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
487,226	1,692	3,555,092	1,279	199,218	401,841	586,552	885,950	-	76,373
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	23	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</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, 2013

	Special Revenue Funds						
	WIA ARRA NEG (2775)	WIA Gold Standard Evaluation (2788)	Reemploy- ment Services EUC (2789)	United Way Summer Youth (2790)	JET SSI Pilot (2791)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	7,138	-	159,713	-	-	44,754	-
State	-	-	-	-	13,410	156,485	-
Local	-	-	-	50,000	-	1,415	46,100
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	18,400	-	8,275	-	-	-
Total revenues	<u>7,138</u>	<u>18,400</u>	<u>159,713</u>	<u>58,275</u>	<u>13,410</u>	<u>202,654</u>	<u>46,100</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	46,361
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	228,136	-
Health	-	-	-	-	-	-	-
Welfare	7,138	-	159,713	56,812	13,410	-	-
Cultural	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>7,138</u>	<u>-</u>	<u>159,713</u>	<u>56,812</u>	<u>13,410</u>	<u>228,136</u>	<u>46,361</u>
Revenues over (under) expenditures	-	18,400	-	1,463	-	(25,482)	(261)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	25,482	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,482</u>	<u>-</u>
Net change in fund balances	-	18,400	-	1,463	-	-	(261)
Fund balances, beginning of year	-	18,230	-	-	-	1,058	33,909
Fund balances, end of year	<u>\$ -</u>	<u>\$ 36,630</u>	<u>\$ -</u>	<u>\$ 1,463</u>	<u>\$ -</u>	<u>\$ 1,058</u>	<u>\$ 33,648</u>

Special Revenue Funds

Project Safe Neighborhoods (2834)	JAG ARRA Crime Analysis (2835)	EDC Loan Revolving (2860)	Rambusch - Ruchs CDBG Grant (2873)	Remonumentation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Care (2930)	Veteran's Trust (2940)	Mental Health Buildings (2970)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 307,339	\$ -	\$ -
20,400	37,638	-	-	-	-	27,886	-	-	-
-	-	-	-	45,868	138,796	3,738,247	-	33,534	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	3,020	-	-	-	-	719	-	674
-	-	-	-	-	-	-	12,500	-	470,636
-	-	-	-	-	12,456	349,457	110,791	-	-
<u>20,400</u>	<u>37,638</u>	<u>3,020</u>	<u>-</u>	<u>45,868</u>	<u>151,252</u>	<u>4,115,590</u>	<u>431,349</u>	<u>33,534</u>	<u>471,310</u>
-	-	2	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	41,820	-	-	-	-	-	-	-	-
-	-	-	-	-	172,728	8,335,761	-	-	432,914
20,400	-	-	-	-	-	-	380,202	32,688	-
-	-	-	-	46,582	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>20,400</u>	<u>41,820</u>	<u>2</u>	<u>-</u>	<u>46,582</u>	<u>172,728</u>	<u>8,335,761</u>	<u>380,202</u>	<u>32,688</u>	<u>432,914</u>
-	(4,182)	3,018	-	(714)	(21,476)	(4,220,171)	51,147	846	38,396
-	4,182	-	-	714	1,476	4,220,171	-	-	-
-	-	-	-	-	-	-	-	-	-
-	4,182	-	-	714	1,476	4,220,171	-	-	-
-	-	3,018	-	-	(20,000)	-	51,147	846	38,396
-	-	134,940	3,549	-	20,000	-	-	18	50,303
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,958</u>	<u>\$ 3,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,147</u>	<u>\$ 864</u>	<u>\$ 88,699</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, 2013

	Special Revenue Funds	Debt Service Funds			Capital Projects Funds		
	Quality of Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)	Hall of Justice (4130)	CMH Apple Building (4140)	Heritage Landing Development (4180)
REVENUES							
Taxes	\$ -	\$ 1,256,406	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	73,000
Charges for services	1,602	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income	269	6,825	54	527	-	-	-
Rentals	-	-	-	506,109	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	<u>1,871</u>	<u>1,263,231</u>	<u>54</u>	<u>506,636</u>	<u>-</u>	<u>-</u>	<u>73,000</u>
EXPENDITURES							
Current:							
General government	4,569	-	378	-	-	-	-
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health	-	-	-	465	-	-	-
Welfare	-	-	-	-	-	-	-
Cultural	-	708	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	1,110,000	390,000	165,000	-	-	-
Interest and fiscal charges	-	151,650	128,558	344,419	-	-	-
Capital outlay	-	-	-	-	780,675	69,753	72,277
Total expenditures	<u>4,569</u>	<u>1,262,358</u>	<u>518,936</u>	<u>509,884</u>	<u>780,675</u>	<u>69,753</u>	<u>72,277</u>
Revenues over (under) expenditures	<u>(2,698)</u>	<u>873</u>	<u>(518,882)</u>	<u>(3,248)</u>	<u>(780,675)</u>	<u>(69,753)</u>	<u>723</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	425,162	-	780,675	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>425,162</u>	<u>-</u>	<u>780,675</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(2,698)</u>	<u>873</u>	<u>(93,720)</u>	<u>(3,248)</u>	<u>-</u>	<u>(69,753)</u>	<u>723</u>
Fund balances, beginning of year	41,696	455,980	93,720	143,909	-	69,761	67,018
Fund balances, end of year	<u>\$ 38,998</u>	<u>\$ 456,853</u>	<u>\$ -</u>	<u>\$ 140,661</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 67,741</u>

Capital Projects Funds			Permanent Funds			
Jail Building (4660)	Public Improve- ment (4930)	Capital Improve- ment (4960)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)		Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,975,340
-	-	-	-	-	-	10,110,800
-	-	-	-	-	-	6,326,002
-	-	-	-	-	-	339,059
-	-	-	-	-	-	2,668,697
-	-	-	-	-	-	839
-	5,283	-	151	-	-	31,826
-	12,500	-	-	9,651	-	1,014,005
-	-	-	-	-	-	1,016,138
-	17,783	-	151	9,651	-	24,482,706
-	(1)	-	212	13,953	-	810,422
-	-	-	-	-	-	343,403
-	-	-	-	-	-	1,503,272
-	-	-	-	-	-	16,835,397
-	-	-	-	-	-	8,100,503
-	-	-	-	-	-	47,500
-	-	-	-	-	-	609,346
-	25,000	-	-	-	-	1,690,000
-	-	-	-	-	-	624,627
1,341,766	298,765	-	-	-	-	3,306,166
1,341,766	323,764	-	212	13,953	-	33,870,636
(1,341,766)	(305,981)	-	(61)	(4,302)	-	(9,387,930)
6,000,000	-	-	-	-	-	13,971,948
-	(780,518)	(36,568)	-	-	-	(998,251)
6,000,000	(780,518)	(36,568)	-	-	-	12,973,697
4,658,234	(1,086,499)	(36,568)	(61)	(4,302)	-	3,585,767
-	1,668,120	336,568	37,294	4,302	-	5,917,562
\$ 4,658,234	\$ 581,621	\$ 300,000	\$ 37,233	\$ -	\$ -	\$ 9,503,329

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, 2013

	Sobriety Court (1170)			Emergency Services (1190)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	30,000	30,000	-	105,071	304,758	199,687
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	94,900	100,091	5,191	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	5,000	2,848	(2,152)
Total revenues	<u>124,900</u>	<u>130,091</u>	<u>5,191</u>	<u>110,071</u>	<u>307,606</u>	<u>197,535</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	356,730	337,943	(18,787)	-	-	-
Public safety	-	-	-	226,310	220,160	(6,150)
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	50,000	208,610	158,610
Total expenditures	<u>356,730</u>	<u>337,943</u>	<u>(18,787)</u>	<u>276,310</u>	<u>428,770</u>	<u>152,460</u>
Revenues over (under) expenditures	<u>(231,830)</u>	<u>(207,852)</u>	<u>23,978</u>	<u>(166,239)</u>	<u>(121,164)</u>	<u>45,075</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	112,659	88,681	(23,978)	149,166	104,879	(44,287)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>112,659</u>	<u>88,681</u>	<u>(23,978)</u>	<u>149,166</u>	<u>104,879</u>	<u>(44,287)</u>
Net change in fund balances	<u>(119,171)</u>	<u>(119,171)</u>	<u>-</u>	<u>(17,073)</u>	<u>(16,285)</u>	<u>788</u>
Fund balances, beginning of year	119,171	119,171	-	26,465	26,465	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,392</u>	<u>\$ 10,180</u>	<u>\$ 788</u>



Marine Safety (1200)			Port Security (1201)			Jail Education Support (1202)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	305,000	305,000	-	27,017	9,477	(17,540)
99,143	88,892	(10,251)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>99,143</u>	<u>88,892</u>	<u>(10,251)</u>	<u>305,000</u>	<u>305,000</u>	<u>-</u>	<u>27,017</u>	<u>9,477</u>	<u>(17,540)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
130,137	125,219	(4,918)	36,870	23,085	(13,785)	27,017	9,477	(17,540)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	348,130	348,130	-	-	-	-
<u>130,137</u>	<u>125,219</u>	<u>(4,918)</u>	<u>385,000</u>	<u>371,215</u>	<u>(13,785)</u>	<u>27,017</u>	<u>9,477</u>	<u>(17,540)</u>
<u>(30,994)</u>	<u>(36,327)</u>	<u>(5,333)</u>	<u>(80,000)</u>	<u>(66,215)</u>	<u>13,785</u>	<u>-</u>	<u>-</u>	<u>-</u>
30,994	36,328	5,334	80,000	66,215	(13,785)	-	-	-
-	-	-	-	-	-	-	-	-
<u>30,994</u>	<u>36,328</u>	<u>5,334</u>	<u>80,000</u>	<u>66,215</u>	<u>(13,785)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1	1	-	-	-	-	-	-
17,723	17,723	-	-	-	-	-	-	-
<u>\$ 17,723</u>	<u>\$ 17,724</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</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, 2013

	Highway Safety Programs (1210)			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	81,945	80,213	(1,732)	-	-	-
State	143,100	143,100	-	-	-	-
Local	-	-	-	112,279	109,239	(3,040)
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>225,045</u>	<u>223,313</u>	<u>(1,732)</u>	<u>112,279</u>	<u>109,239</u>	<u>(3,040)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	299,518	299,844	326	224,559	205,860	(18,699)
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>299,518</u>	<u>299,844</u>	<u>326</u>	<u>224,559</u>	<u>205,860</u>	<u>(18,699)</u>
Revenues over (under) expenditures	<u>(74,473)</u>	<u>(76,531)</u>	<u>(2,058)</u>	<u>(112,280)</u>	<u>(96,621)</u>	<u>15,659</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	74,473	76,531	2,058	112,280	96,621	(15,659)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>74,473</u>	<u>76,531</u>	<u>2,058</u>	<u>112,280</u>	<u>96,621</u>	<u>(15,659)</u>
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Park Fund (2080)			Access & Visitation (2151)			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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 425,305	\$ 497,022	\$ 71,717
-	-	-	5,500	5,490	(10)	1,830,139	1,980,400	150,261
-	-	-	-	-	-	1,144,620	1,069,715	(74,905)
1,172	1,172	-	-	-	-	500	886	386
691,232	663,402	(27,830)	-	-	-	1,699,551	1,684,837	(14,714)
-	-	-	-	-	-	-	-	-
490	1,320	830	-	-	-	1,500	2,624	1,124
-	-	-	-	-	-	-	-	-
-	186	186	-	-	-	311,709	331,086	19,377
<u>692,894</u>	<u>666,080</u>	<u>(26,814)</u>	<u>5,500</u>	<u>5,490</u>	<u>(10)</u>	<u>5,413,324</u>	<u>5,566,570</u>	<u>153,246</u>
-	-	-	-	-	-	-	-	-
-	-	-	5,500	5,460	(40)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,243,870	7,389,475	145,605
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
679,981	609,346	(70,635)	-	-	-	-	-	-
37,164	36,731	(433)	-	-	-	-	-	-
<u>717,145</u>	<u>646,077</u>	<u>(71,068)</u>	<u>5,500</u>	<u>5,460</u>	<u>(40)</u>	<u>7,243,870</u>	<u>7,389,475</u>	<u>145,605</u>
<u>(24,251)</u>	<u>20,003</u>	<u>44,254</u>	<u>-</u>	<u>30</u>	<u>30</u>	<u>(1,830,546)</u>	<u>(1,822,905)</u>	<u>7,641</u>
-	-	-	-	-	-	1,803,732	1,893,981	90,249
<u>(28,623)</u>	<u>(26,354)</u>	<u>2,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(28,623)</u>	<u>(26,354)</u>	<u>2,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,803,732</u>	<u>1,893,981</u>	<u>90,249</u>
<u>(52,874)</u>	<u>(6,351)</u>	<u>46,523</u>	<u>-</u>	<u>30</u>	<u>30</u>	<u>(26,814)</u>	<u>71,076</u>	<u>97,890</u>
<u>248,906</u>	<u>248,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>738,562</u>	<u>738,562</u>	<u>-</u>
<u>\$ 196,032</u>	<u>\$ 242,555</u>	<u>\$ 46,523</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 711,748</u>	<u>\$ 809,638</u>	<u>\$ 97,890</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, 2013

	Lead Hazard Grant (2212)			Community Hub (2216)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	448,956	393,375	(55,581)	65,000	75,216	10,216
State	-	-	-	-	-	-
Local	-	55,247	55,247	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	30,000	-	(30,000)	-	-	-
Total revenues	<u>478,956</u>	<u>448,622</u>	<u>(30,334)</u>	<u>65,000</u>	<u>75,216</u>	<u>10,216</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	478,956	448,622	(30,334)	65,000	55,432	(9,568)
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>478,956</u>	<u>448,622</u>	<u>(30,334)</u>	<u>65,000</u>	<u>55,432</u>	<u>(9,568)</u>
Revenues over (under) expenditures	-	-	-	-	19,784	19,784
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	19,784	19,784
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,784</u>	<u>\$ 19,784</u>

Sustainability Grant (2261)			NOAA Habitat Conservation Grant (2271)			Accommodations Tax (2300)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 927,791	\$ 914,573	\$ (13,218)
-	-	-	121,600	96,915	(24,685)	-	-	-
31,974	28,269	(3,705)	-	-	-	-	-	-
-	-	-	-	-	-	2,000	2,000	-
-	-	-	-	-	-	17,000	16,135	(865)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,500	2,942	1,442
-	-	-	-	-	-	-	1,493	1,493
-	-	-	-	-	-	-	188	188
<u>31,974</u>	<u>28,269</u>	<u>(3,705)</u>	<u>121,600</u>	<u>96,915</u>	<u>(24,685)</u>	<u>948,291</u>	<u>937,331</u>	<u>(10,960)</u>
-	-	-	-	-	-	671,869	665,898	(5,971)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	24,691	-	(24,691)	-	-	-
31,974	29,366	(2,608)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	96,909	96,909	-	-	-	-
<u>31,974</u>	<u>29,366</u>	<u>(2,608)</u>	<u>121,600</u>	<u>96,909</u>	<u>(24,691)</u>	<u>671,869</u>	<u>665,898</u>	<u>(5,971)</u>
-	(1,097)	(1,097)	-	6	6	276,422	271,433	(4,989)
-	1,097	1,097	-	-	-	-	-	-
-	-	-	-	-	-	(130,629)	(130,629)	-
-	1,097	1,097	-	-	-	(130,629)	(130,629)	-
-	-	-	-	6	6	145,793	140,804	(4,989)
-	-	-	-	-	-	456,016	456,016	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 601,809</u>	<u>\$ 596,820</u>	<u>\$ (4,989)</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, 2013

	Parks Development (2411)			CDBG Housing Grant (2470)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	296,572	296,572	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	50,000	32,370	(17,630)
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>346,572</u>	<u>328,942</u>	<u>(17,630)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	350,636	334,211	(16,425)
Cultural	2,479	210	(2,269)	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>2,479</u>	<u>210</u>	<u>(2,269)</u>	<u>350,636</u>	<u>334,211</u>	<u>(16,425)</u>
Revenues over (under) expenditures	<u>(2,479)</u>	<u>(210)</u>	<u>2,269</u>	<u>(4,064)</u>	<u>(5,269)</u>	<u>(1,205)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,479	210	(2,269)	-	1,205	1,205
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,479</u>	<u>210</u>	<u>(2,269)</u>	<u>-</u>	<u>1,205</u>	<u>1,205</u>
Net change in fund balances	-	-	-	(4,064)	(4,064)	-
Fund balances, beginning of year	-	-	-	4,064	4,064	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

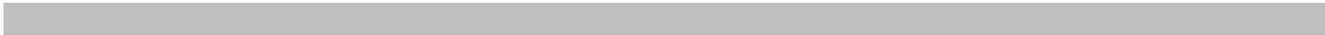
Neighborhood Stabilization Grant (2471)			Deed Automation Fund (2560)			Community Corrections (2640)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
657,035	390,447	(266,588)	-	-	-	-	-	-
-	-	-	-	-	-	157,094	154,792	(2,302)
-	-	-	-	-	-	-	-	-
-	-	-	170,000	191,930	21,930	10,700	10,700	-
-	-	-	-	-	-	-	-	-
-	-	-	3,500	7,418	3,918	-	-	-
-	-	-	-	-	-	-	-	-
-	144,058	144,058	-	-	-	-	-	-
<u>657,035</u>	<u>534,505</u>	<u>(122,530)</u>	<u>173,500</u>	<u>199,348</u>	<u>25,848</u>	<u>167,794</u>	<u>165,492</u>	<u>(2,302)</u>
-	-	-	180,312	79,050	(101,262)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	314,503	313,830	(673)
-	-	-	-	-	-	-	-	-
657,035	520,525	(136,510)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	115,000	52,550	(62,450)	-	-	-
<u>657,035</u>	<u>520,525</u>	<u>(136,510)</u>	<u>295,312</u>	<u>131,600</u>	<u>(163,712)</u>	<u>314,503</u>	<u>313,830</u>	<u>(673)</u>
<u>-</u>	<u>13,980</u>	<u>13,980</u>	<u>(121,812)</u>	<u>67,748</u>	<u>189,560</u>	<u>(146,709)</u>	<u>(148,338)</u>	<u>(1,629)</u>
-	-	-	-	-	-	146,709	148,338	1,629
-	-	-	(20,000)	(20,000)	-	-	-	-
-	-	-	(20,000)	(20,000)	-	146,709	148,338	1,629
-	13,980	13,980	(141,812)	47,748	189,560	-	-	-
-	-	-	1,105,936	1,105,936	-	-	-	-
<u>\$ -</u>	<u>\$ 13,980</u>	<u>\$ 13,980</u>	<u>\$ 964,124</u>	<u>\$ 1,153,684</u>	<u>\$ 189,560</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, 2013

	TNT Drug (2671)			Prosecutor Drug (2672)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	500	839	339	5,000	-	(5,000)
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>500</u>	<u>839</u>	<u>339</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	12,840	12,847	7	-	1,591	1,591
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>12,840</u>	<u>12,847</u>	<u>7</u>	<u>-</u>	<u>1,591</u>	<u>1,591</u>
Revenues over (under) expenditures	<u>(12,340)</u>	<u>(12,008)</u>	<u>332</u>	<u>5,000</u>	<u>(1,591)</u>	<u>(6,591)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(4,182)	(4,182)	-	-	-	-
Total other financing sources (uses)	<u>(4,182)</u>	<u>(4,182)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(16,522)</u>	<u>(16,190)</u>	<u>332</u>	<u>5,000</u>	<u>(1,591)</u>	<u>(6,591)</u>
Fund balances, beginning of year	16,887	16,887	-	3,434	3,434	-
Fund balances, end of year	<u>\$ 365</u>	<u>\$ 697</u>	<u>\$ 332</u>	<u>\$ 8,434</u>	<u>\$ 1,843</u>	<u>\$ (6,591)</u>



JAG-ARRA (2675)			Wagner Peyser (2731)			Trade Adjustment Assistance (2733)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21,402	21,403	1	678,000	345,368	(332,632)	984,750	487,226	(497,524)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	5,447	5,447	-	-	-
<u>21,402</u>	<u>21,403</u>	<u>1</u>	<u>678,000</u>	<u>350,815</u>	<u>(327,185)</u>	<u>984,750</u>	<u>487,226</u>	<u>(497,524)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
21,402	21,403	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	678,000	350,815	(327,185)	984,750	487,226	(497,524)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>21,402</u>	<u>21,403</u>	<u>1</u>	<u>678,000</u>	<u>350,815</u>	<u>(327,185)</u>	<u>984,750</u>	<u>487,226</u>	<u>(497,524)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2013

	DET Cost Pool (2739)			Jobs Education & Training (2751)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	5,716,198	2,840,198	(2,876,000)
State	-	-	-	1,466,894	714,894	(752,000)
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	1,116	1,116	-	-	-
Other	6,000	576	(5,424)	-	-	-
Total revenues	<u>6,000</u>	<u>1,692</u>	<u>(4,308)</u>	<u>7,183,092</u>	<u>3,555,092</u>	<u>(3,628,000)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	6,000	1,692	(4,308)	7,183,092	3,555,092	(3,628,000)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>6,000</u>	<u>1,692</u>	<u>(4,308)</u>	<u>7,183,092</u>	<u>3,555,092</u>	<u>(3,628,000)</u>
Revenues over (under) expenditures	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Food Stamp Program (2759)			WIA Admin Pool (2760)			WIA Adult Program (2761)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,279	1,279	-	423,093	199,218	(223,875)	1,471,000	401,841	(1,069,159)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,279</u>	<u>1,279</u>	<u>-</u>	<u>423,093</u>	<u>199,218</u>	<u>(223,875)</u>	<u>1,471,000</u>	<u>401,841</u>	<u>(1,069,159)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,279	1,279	-	423,093	199,218	(223,875)	1,471,000	401,841	(1,069,159)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,279</u>	<u>1,279</u>	<u>-</u>	<u>423,093</u>	<u>199,218</u>	<u>(223,875)</u>	<u>1,471,000</u>	<u>401,841</u>	<u>(1,069,159)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2013

	WIA Youth Programs (2762)			WIA Dislocated Worker Program (2763)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	1,604,000	586,552	(1,017,448)	2,028,837	885,950	(1,142,887)
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>1,604,000</u>	<u>586,552</u>	<u>(1,017,448)</u>	<u>2,028,837</u>	<u>885,950</u>	<u>(1,142,887)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	1,604,000	586,552	(1,017,448)	2,000,837	885,950	(1,114,887)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	28,000	-	(28,000)
Total expenditures	<u>1,604,000</u>	<u>586,552</u>	<u>(1,017,448)</u>	<u>2,028,837</u>	<u>885,950</u>	<u>(1,142,887)</u>
Revenues over (under) expenditures	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Strategic Planning (2765)			WIA Service Center Operations (2767)			WIA ARRA NEG (2775)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	152,500	76,373	(76,127)	10,000	7,138	(2,862)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	152,500	76,373	(76,127)	10,000	7,138	(2,862)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	152,500	76,373	(76,127)	10,000	7,138	(2,862)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
23	23	-	-	-	-	-	-	-
\$ 23	\$ 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2013

	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
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	360,000	159,713	(200,287)
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	18,400	18,400	-	-	-	-
Total revenues	<u>18,400</u>	<u>18,400</u>	<u>-</u>	<u>360,000</u>	<u>159,713</u>	<u>(200,287)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	18,400	-	(18,400)	360,000	159,713	(200,287)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>18,400</u>	<u>-</u>	<u>(18,400)</u>	<u>360,000</u>	<u>159,713</u>	<u>(200,287)</u>
Revenues over (under) expenditures	<u>-</u>	<u>18,400</u>	<u>18,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>18,400</u>	<u>18,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	18,230	18,230	-	-	-	-
Fund balances, end of year	<u>\$ 18,230</u>	<u>\$ 36,630</u>	<u>\$ 18,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	67,731	44,754	(22,977)
-	-	-	15,000	13,410	(1,590)	164,474	156,485	(7,989)
50,000	50,000	-	-	-	-	1,405	1,415	10
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
8,275	8,275	-	-	-	-	-	-	-
58,275	58,275	-	15,000	13,410	(1,590)	233,610	202,654	(30,956)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	258,777	228,136	(30,641)
-	-	-	-	-	-	-	-	-
58,275	56,812	(1,463)	15,000	13,410	(1,590)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
58,275	56,812	(1,463)	15,000	13,410	(1,590)	258,777	228,136	(30,641)
-	1,463	1,463	-	-	-	(25,167)	(25,482)	(315)
-	-	-	-	-	-	25,167	25,482	315
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	25,167	25,482	315
-	1,463	1,463	-	-	-	-	-	-
-	-	-	-	-	-	1,058	1,058	-
\$ -	\$ 1,463	\$ 1,463	\$ -	\$ -	\$ -	\$ 1,058	\$ 1,058	\$ -

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, 2013

	Muskegon Area Stormwater Committee (2823)			Project Safe Neighborhoods (2834)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	20,400	20,400	-
State	-	-	-	-	-	-
Local	46,100	46,100	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>46,100</u>	<u>46,100</u>	<u>-</u>	<u>20,400</u>	<u>20,400</u>	<u>-</u>
EXPENDITURES						
Current:						
General government	46,376	46,361	(15)	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	20,400	20,400	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>46,376</u>	<u>46,361</u>	<u>(15)</u>	<u>20,400</u>	<u>20,400</u>	<u>-</u>
Revenues over (under) expenditures	<u>(276)</u>	<u>(261)</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(276)</u>	<u>(261)</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	33,909	33,909	-	-	-	-
Fund balances, end of year	<u>\$ 33,633</u>	<u>\$ 33,648</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JAG ARRA Crime Analysis (2835)			EDC Loan Revolving (2860)			Rambusch-Ruchs CDBG Grant (2873)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37,638	37,638	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	1,300	3,020	1,720	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
37,638	37,638	-	1,300	3,020	1,720	-	-	-
-	-	-	4,311	2	(4,309)	-	-	-
-	-	-	-	-	-	-	-	-
41,820	41,820	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
41,820	41,820	-	4,311	2	(4,309)	-	-	-
(4,182)	(4,182)	-	(3,011)	3,018	6,029	-	-	-
4,182	4,182	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4,182	4,182	-	-	-	-	-	-	-
-	-	-	(3,011)	3,018	6,029	-	-	-
-	-	-	134,940	134,940	-	3,549	3,549	-
\$ -	\$ -	\$ -	\$ 131,929	\$ 137,958	\$ 6,029	\$ 3,549	\$ 3,549	\$ -

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, 2013

	Remuneration Program (2890)			Social Welfare (2910)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	69,648	45,868	(23,780)	135,520	138,796	3,276
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	12,456	12,456	-
Total revenues	<u>69,648</u>	<u>45,868</u>	<u>(23,780)</u>	<u>147,976</u>	<u>151,252</u>	<u>3,276</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	160,315	172,728	12,413
Welfare	-	-	-	-	-	-
Cultural	70,362	46,582	(23,780)	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>70,362</u>	<u>46,582</u>	<u>(23,780)</u>	<u>160,315</u>	<u>172,728</u>	<u>12,413</u>
Revenues over (under) expenditures	<u>(714)</u>	<u>(714)</u>	<u>-</u>	<u>(12,339)</u>	<u>(21,476)</u>	<u>(9,137)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	714	714	-	12,339	1,476	(10,863)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>714</u>	<u>714</u>	<u>-</u>	<u>12,339</u>	<u>1,476</u>	<u>(10,863)</u>
Net change in fund balances	-	-	-	-	(20,000)	(20,000)
Fund balances, beginning of year	-	-	-	20,000	20,000	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ (20,000)</u>

Child Care Facility (2920)			Veteran's Care (2930)			Veteran's Trust (2940)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ 312,927	\$ 307,339	\$ (5,588)	\$ -	\$ -	\$ -
34,500	27,886	(6,614)	-	-	-	-	-	-
3,560,664	3,738,247	177,583	-	-	-	35,570	33,534	(2,036)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	750	719	(31)	-	-	-
-	-	-	12,500	12,500	-	-	-	-
362,254	349,457	(12,797)	14,164	110,791	96,627	-	-	-
3,957,418	4,115,590	158,172	340,341	431,349	91,008	35,570	33,534	(2,036)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
7,953,111	8,335,761	382,650	-	-	-	-	-	-
-	-	-	345,077	380,202	35,125	35,570	32,688	(2,882)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
7,953,111	8,335,761	382,650	345,077	380,202	35,125	35,570	32,688	(2,882)
(3,995,693)	(4,220,171)	(224,478)	(4,736)	51,147	55,883	-	846	846
3,995,693	4,220,171	224,478	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,995,693	4,220,171	224,478	-	-	-	-	-	-
-	-	-	(4,736)	51,147	55,883	-	846	846
-	-	-	-	-	-	18	18	-
\$ -	\$ -	\$ -	\$ (4,736)	\$ 51,147	\$ 55,883	\$ 18	\$ 864	\$ 846

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, 2013

	Mental Health Buildings (2970)			Quality of Victim Restitution (2980)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	4,500	1,602	(2,898)
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	674	674	300	269	(31)
Rentals	393,642	470,636	76,994	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>393,642</u>	<u>471,310</u>	<u>77,668</u>	<u>4,800</u>	<u>1,871</u>	<u>(2,929)</u>
EXPENDITURES						
Current:						
General government	-	-	-	12,000	4,569	(7,431)
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	443,945	432,914	(11,031)	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>443,945</u>	<u>432,914</u>	<u>(11,031)</u>	<u>12,000</u>	<u>4,569</u>	<u>(7,431)</u>
Revenues over (under) expenditures	<u>(50,303)</u>	<u>38,396</u>	<u>88,699</u>	<u>(7,200)</u>	<u>(2,698)</u>	<u>4,502</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(50,303)</u>	<u>38,396</u>	<u>88,699</u>	<u>(7,200)</u>	<u>(2,698)</u>	<u>4,502</u>
Fund balances, beginning of year	50,303	50,303	-	41,696	41,696	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 88,699</u>	<u>\$ 88,699</u>	<u>\$ 34,496</u>	<u>\$ 38,998</u>	<u>\$ 4,502</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Enterprise Funds

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.

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.

2012 Delinquent Tax Revolving Fund (5162)--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 Statement of Net Position
 Nonmajor Enterprise Funds
 September 30, 2013

	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2011 Delinquent Tax Revolving (5161)	2012 Delinquent Tax Revolving (5162)
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ 308,662	\$ 2,902,942	\$ 3,512,610
Receivables, net:				
Accounts	-	34,890	-	-
Due from other governments	-	-	-	-
Accrued interest	1	247	21,853	7,337
Taxes	923,400	-	4,272,819	9,547,197
Inventories	-	-	-	-
Total current assets	<u>923,401</u>	<u>343,799</u>	<u>7,197,614</u>	<u>13,067,144</u>
Noncurrent assets:				
Advances to component units	-	250,000	-	-
Advances to other funds	-	-	-	-
Restricted assets	-	-	-	-
Capital assets not being depreciated	-	-	-	-
Capital assets being depreciated, net	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Total assets	<u>923,401</u>	<u>593,799</u>	<u>7,197,614</u>	<u>13,067,144</u>
LIABILITIES				
Current liabilities:				
Negative equity in pooled cash	807,039	-	-	-
Accounts payable	-	-	247	267
Accrued liabilities	-	2,093	3,001	2,715
Accrued interest	-	-	10,682	15,879
Unearned revenue	-	-	-	-
Current portion of accrued closure cost and sludge removal	-	-	-	-
Current portion of compensated absences	-	-	-	-
Current portion of long-term debt	-	-	4,003,977	8,008,613
Total current liabilities	<u>807,039</u>	<u>2,093</u>	<u>4,017,907</u>	<u>8,027,474</u>
Noncurrent liabilities, net of current portion:				
Accrued closure cost and sludge removal	-	-	-	-
Compensated absences	-	-	-	-
Long-term debt	-	-	-	4,004,307
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,004,307</u>
Total liabilities	<u>807,039</u>	<u>2,093</u>	<u>4,017,907</u>	<u>12,031,781</u>
NET POSITION				
Net investment in capital assets	-	-	-	-
Unrestricted	116,362	591,706	3,179,707	1,035,363
Total net position	<u>\$ 116,362</u>	<u>\$ 591,706</u>	<u>\$ 3,179,707</u>	<u>\$ 1,035,363</u>

Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ 10,882,190	\$ 898,811	\$ -	\$ 182,747	\$ 18,687,962
208,728	-	3,766	1,578	248,962
-	-	829,276	-	829,276
26,741	2,242	14	426	58,861
-	-	-	-	14,743,416
9,511	-	-	-	9,511
<u>11,127,170</u>	<u>901,053</u>	<u>833,056</u>	<u>184,751</u>	<u>34,577,988</u>
-	-	-	-	250,000
95,160	-	-	-	95,160
1,875,171	130,948	-	-	2,006,119
909,629	-	211,334	-	1,120,963
4,408,229	72,838	7,383,426	3,375	11,867,868
<u>7,288,189</u>	<u>203,786</u>	<u>7,594,760</u>	<u>3,375</u>	<u>15,340,110</u>
<u>18,415,359</u>	<u>1,104,839</u>	<u>8,427,816</u>	<u>188,126</u>	<u>49,918,098</u>
-	-	365,548	-	1,172,587
46,246	-	56,482	2,703	105,945
24,644	-	67,653	656	100,762
-	-	-	-	26,561
-	-	-	525	525
178,739	36,289	-	-	215,028
31,220	-	36,822	-	68,042
-	-	-	-	12,012,590
<u>280,849</u>	<u>36,289</u>	<u>526,505</u>	<u>3,884</u>	<u>13,702,040</u>
10,172,354	986,606	-	-	11,158,960
124,878	-	147,290	-	272,168
-	-	-	-	4,004,307
<u>10,297,232</u>	<u>986,606</u>	<u>147,290</u>	<u>-</u>	<u>15,435,435</u>
<u>10,578,081</u>	<u>1,022,895</u>	<u>673,795</u>	<u>3,884</u>	<u>29,137,475</u>
5,317,858	72,838	7,594,760	3,375	12,988,831
2,519,420	9,106	159,261	180,867	7,791,792
<u>\$ 7,837,278</u>	<u>\$ 81,944</u>	<u>\$ 7,754,021</u>	<u>\$ 184,242</u>	<u>\$ 20,780,623</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds For the Year Ended September 30, 2013

	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2011 Delinquent Tax Revolving (5161)	2012 Delinquent Tax Revolving (5162)
Operating revenues:				
Charges for services	\$ -	\$ 1,078,046	\$ 85,853	\$ -
Interest and penalties	(10)	-	1,302,248	1,288,317
Other revenues	-	5,522	-	-
Total operating revenues	(10)	1,083,568	1,388,101	1,288,317
Operating expenses:				
Salaries and fringes	-	77,332	-	189,063
Supplies and other operating expenses	3,755	414,815	16,506	58,490
Depreciation	-	-	-	-
Total operating expenses	3,755	492,147	16,506	247,553
Operating income (loss)	(3,765)	591,421	1,371,595	1,040,764
Nonoperating revenues (expense):				
Grants and contributions:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Interest income	-	285	41,485	10,478
Interest expense	-	-	(60,674)	(15,879)
Gain (loss) on sale of capital assets	-	-	-	-
Total nonoperating revenues (expense)	-	285	(19,189)	(5,401)
Income (loss) before capital contributions and transfers	(3,765)	591,706	1,352,406	1,035,363
Capital contributions - federal	-	-	-	-
Capital contributions - state	-	-	-	-
Transfers in	-	-	24,034	-
Transfers out	(50,000)	-	(8,896,858)	-
Change in net position	(53,765)	591,706	(7,520,418)	1,035,363
Net position, beginning of year	170,127	-	10,700,125	-
Net position, end of year	\$ 116,362	\$ 591,706	\$ 3,179,707	\$ 1,035,363

Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ 2,386,195	\$ -	\$ 640,569	\$ 73,405	\$ 4,264,068
-	-	-	-	2,590,555
1,101	-	9,304	-	15,927
<u>2,387,296</u>	<u>-</u>	<u>649,873</u>	<u>73,405</u>	<u>6,870,550</u>
889,317	4,499	2,592,758	27,550	3,780,519
1,184,174	12,307	1,500,831	12,995	3,203,873
660,553	3,784	715,287	4,500	1,384,124
<u>2,734,044</u>	<u>20,590</u>	<u>4,808,876</u>	<u>45,045</u>	<u>8,368,516</u>
<u>(346,748)</u>	<u>(20,590)</u>	<u>(4,159,003)</u>	<u>28,360</u>	<u>(1,497,966)</u>
-	-	40,008	-	40,008
-	-	1,172,107	-	1,172,107
-	-	132,167	-	132,167
49,439	6,201	179	1,089	109,156
-	-	-	-	(76,553)
<u>(2,501)</u>	<u>-</u>	<u>1,359</u>	<u>-</u>	<u>(1,142)</u>
<u>46,938</u>	<u>6,201</u>	<u>1,345,820</u>	<u>1,089</u>	<u>1,375,743</u>
<u>(299,810)</u>	<u>(14,389)</u>	<u>(2,813,183)</u>	<u>29,449</u>	<u>(122,223)</u>
-	-	2,723,758	-	2,723,758
-	-	5,616	-	5,616
26,144	-	-	-	50,178
<u>(1,097)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,947,955)</u>
<u>(274,763)</u>	<u>(14,389)</u>	<u>(83,809)</u>	<u>29,449</u>	<u>(6,290,626)</u>
8,112,041	96,333	7,837,830	154,793	27,071,249
<u>\$ 7,837,278</u>	<u>\$ 81,944</u>	<u>\$ 7,754,021</u>	<u>\$ 184,242</u>	<u>\$ 20,780,623</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows Nonmajor Enterprise Funds For the Year Ended September 30, 2013

	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2011 Delinquent Tax Revolving (5161)	2012 Delinquent Tax Revolving (5162)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 53,755	\$ 1,484,647	\$ 10,363,334	\$ 5,578,560
Payments to vendors	(3,755)	(1,099,080)	(16,584)	(58,223)
Payments for personnel services	-	(77,190)	(3,828)	(186,348)
Delinquent taxes purchased	-	-	-	(13,844,777)
Net cash provided by (used in) operating activities	<u>50,000</u>	<u>308,377</u>	<u>10,342,922</u>	<u>(8,510,788)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental payments	(50,000)	-	(8,872,824)	-
Federal and/or state grants	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(50,000)</u>	<u>-</u>	<u>(8,872,824)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from issuance of long-term debt	-	-	-	12,000,000
Premium on issuance of long-term debt	-	-	-	12,920
Principal paid on long-term debt	-	-	(12,000,000)	-
Interest paid on long-term debt	-	-	(135,333)	-
Capital contributions received	-	-	-	-
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>(12,135,333)</u>	<u>12,012,920</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	-	285	41,485	10,478
Net increase (decrease) in cash and investments	-	308,662	(10,623,750)	3,512,610
Cash and investments, beginning of year	-	-	13,526,692	-
Cash and investments, end of year	<u>\$ -</u>	<u>\$ 308,662</u>	<u>\$ 2,902,942</u>	<u>\$ 3,512,610</u>

Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ 2,276,397	\$ -	\$ 646,940	\$ 72,073	\$ 20,475,706
(894,020)	(13,945)	(1,284,358)	(12,252)	(3,382,217)
(883,464)	(71,067)	(2,604,190)	(27,355)	(3,853,442)
-	-	-	-	(13,844,777)
<u>498,913</u>	<u>(85,012)</u>	<u>(3,241,608)</u>	<u>32,466</u>	<u>(604,730)</u>
(70,113)	-	-	-	(8,992,937)
-	-	1,233,677	-	1,233,677
<u>(70,113)</u>	<u>-</u>	<u>1,233,677</u>	<u>-</u>	<u>(7,759,260)</u>
-	-	-	-	12,000,000
-	-	-	-	12,920
-	-	-	-	(12,000,000)
-	-	-	-	(135,333)
-	-	2,729,374	-	2,729,374
-	-	2,154	-	2,154
<u>(380,669)</u>	<u>-</u>	<u>(723,776)</u>	<u>-</u>	<u>(1,104,445)</u>
<u>(380,669)</u>	<u>-</u>	<u>2,007,752</u>	<u>-</u>	<u>1,504,670</u>
<u>49,439</u>	<u>6,201</u>	<u>179</u>	<u>1,089</u>	<u>109,156</u>
97,570	(78,811)	-	33,555	(6,750,164)
10,784,620	977,622	-	149,192	25,438,126
<u>\$ 10,882,190</u>	<u>\$ 898,811</u>	<u>\$ -</u>	<u>\$ 182,747</u>	<u>\$ 18,687,962</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended September 30, 2013

	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2011 Delinquent Tax Revolving (5161)	2012 Delinquent Tax Revolving (5162)
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (3,765)	\$ 591,421	\$ 1,371,595	\$ 1,040,764
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	-	400,806	-	-
Accrued interest receivable	35	273	11,264	(7,337)
Taxes receivable	(543,484)	-	8,963,969	(9,547,197)
Inventories	-	-	-	-
Restricted assets	-	-	-	-
Negative equity in pooled cash	597,214	(680,322)	-	-
Accounts payable	-	(3,943)	(78)	267
Accrued liabilities	-	142	(3,828)	2,715
Unearned revenue	-	-	-	-
Accrued closure cost and sludge removal	-	-	-	-
Accrued compensated absences	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 50,000</u>	<u>\$ 308,377</u>	<u>\$ 10,342,922</u>	<u>\$ (8,510,788)</u>



Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ (346,748)	\$ (20,590)	\$ (4,159,003)	\$ 28,360	\$ (1,497,966)
660,553	3,784	715,287	4,500	1,384,124
(118,996)	-	(2,966)	(1,578)	277,266
8,097	(1,220)	33	(279)	10,866
-	-	-	-	(1,126,712)
(5,354)	-	-	-	(5,354)
(75,006)	477	-	-	(74,529)
-	-	279,563	-	196,455
12,411	-	(63,090)	743	(53,690)
3,837	(1,727)	3,975	195	5,309
-	-	-	525	525
358,103	(61,645)	-	-	296,458
2,016	(4,091)	(15,407)	-	(17,482)
<u>\$ 498,913</u>	<u>\$ (85,012)</u>	<u>\$ (3,241,608)</u>	<u>\$ 32,466</u>	<u>\$ (604,730)</u>

concluded



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 Position

Internal Service Funds

September 30, 2013

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
ASSETS			
Current assets:			
Cash and investments	\$ 119,724	\$ 37,790	\$ 16,437
Receivable, net:			
Accounts	3,247	-	-
Accrued interest	201	-	-
Prepays	-	-	-
Total current assets	<u>123,172</u>	<u>37,790</u>	<u>16,437</u>
Noncurrent assets:			
Advances to other funds	-	-	-
Deposits held with others	-	-	-
Notes receivable	-	-	-
Capital assets not being depreciated	-	-	15,000
Capital assets being depreciated, net	-	-	104,458
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>119,458</u>
Total assets	<u>123,172</u>	<u>37,790</u>	<u>135,895</u>
LIABILITIES			
Current liabilities:			
Negative equity in pooled cash	-	-	-
Accounts payable	13,767	33,779	97
Accrued liabilities	4,571	4,011	-
Due to other governments	-	-	-
Accrued interest	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Current portion of compensated absences	9,792	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>28,130</u>	<u>37,790</u>	<u>97</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences	39,166	-	-
Long-term debt	-	-	-
Total noncurrent liabilities	<u>39,166</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>67,296</u>	<u>37,790</u>	<u>97</u>
NET POSITION			
Net investment in capital assets	-	-	119,458
Unrestricted	55,876	-	16,340
Total net position	<u>\$ 55,876</u>	<u>\$ -</u>	<u>\$ 135,798</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
\$ 697,018	\$ -	\$ 6,472,152	\$ 3,559,270	\$ 10,902,391
-	16,048	223,580	-	242,875
1,487	10	18,756	-	20,454
-	-	239,345	-	239,345
<u>698,505</u>	<u>16,058</u>	<u>6,953,833</u>	<u>3,559,270</u>	<u>11,405,065</u>
-	-	750,584	-	750,584
-	-	402,637	-	402,637
-	-	200,000	-	200,000
-	923,286	-	-	938,286
6,224,526	11,998,155	-	-	18,327,139
<u>6,224,526</u>	<u>12,921,441</u>	<u>1,353,221</u>	<u>-</u>	<u>20,618,646</u>
<u>6,923,031</u>	<u>12,937,499</u>	<u>8,307,054</u>	<u>3,559,270</u>	<u>32,023,711</u>
-	4,433,846	-	-	4,433,846
-	282,038	1,147,391	-	1,477,072
-	-	3,325,206	-	3,333,788
-	-	134,445	-	134,445
193,272	5,389	-	-	198,661
-	-	-	52,163	52,163
-	-	24,332	-	24,332
-	-	-	-	9,792
200,000	677,900	-	-	877,900
<u>393,272</u>	<u>5,399,173</u>	<u>4,631,374</u>	<u>52,163</u>	<u>10,541,999</u>
-	662,278	-	-	662,278
-	-	-	-	39,166
6,455,000	690,712	-	-	7,145,712
<u>6,455,000</u>	<u>1,352,990</u>	<u>-</u>	<u>-</u>	<u>7,847,156</u>
<u>6,848,272</u>	<u>6,752,163</u>	<u>4,631,374</u>	<u>52,163</u>	<u>18,389,155</u>
(430,474)	11,552,829	-	-	11,241,813
505,233	(5,367,493)	3,675,680	3,507,107	2,392,743
<u>\$ 74,759</u>	<u>\$ 6,185,336</u>	<u>\$ 3,675,680</u>	<u>\$ 3,507,107</u>	<u>\$ 13,634,556</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds For the Year Ended September 30, 2013

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Operating revenues:			
Premiums	\$ -	\$ -	\$ -
Rentals	-	799,803	2,409
Other revenues	508,751	-	-
Total operating revenues	<u>508,751</u>	<u>799,803</u>	<u>2,409</u>
Operating expenses:			
Salaries and fringes	131,492	145,135	-
Supplies and other operating expenses	372,144	654,668	2,409
Insurance benefits and claims	-	-	-
Insurance premiums	-	-	-
Depreciation	-	-	9,224
Total operating expenses	<u>503,636</u>	<u>799,803</u>	<u>11,633</u>
Operating income (loss)	<u>5,115</u>	<u>-</u>	<u>(9,224)</u>
Nonoperating revenues (expense):			
Interest income	776	-	-
Interest expense	-	-	-
Loss on sale of capital assets	-	-	-
Total nonoperating revenues (expenses)	<u>776</u>	<u>-</u>	<u>-</u>
Income (loss) before capital contributions and transfers	5,891	-	(9,224)
Capital contributions - federal	-	-	-
Transfers out	-	-	-
Change in net position	<u>5,891</u>	<u>-</u>	<u>(9,224)</u>
Net position, beginning of year	49,985	-	145,022
Net position, end of year	<u>\$ 55,876</u>	<u>\$ -</u>	<u>\$ 135,798</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
\$ -	\$ -	\$ 15,050,752	\$ -	\$ 15,050,752
-	679,018	-	-	1,481,230
-	352,973	2,961,654	-	3,823,378
-	1,031,991	18,012,406	-	20,355,360
-	377	807,364	-	1,084,368
14,199	945,442	122,418	-	2,111,280
-	-	49,074	-	49,074
-	-	18,356,228	-	18,356,228
389,013	864,440	-	-	1,262,677
403,212	1,810,259	19,335,084	-	22,863,627
(403,212)	(778,268)	(1,322,678)	-	(2,508,267)
465,333	268	(1,386,596)	2,747	(917,472)
(465,015)	(35,821)	-	-	(500,836)
-	(60,992)	-	-	(60,992)
318	(96,545)	(1,386,596)	2,747	(1,479,300)
(402,894)	(874,813)	(2,709,274)	2,747	(3,987,567)
387,751	-	-	-	387,751
-	(66,215)	-	(52,163)	(118,378)
(15,143)	(941,028)	(2,709,274)	(49,416)	(3,718,194)
89,902	7,126,364	6,384,954	3,556,523	17,352,750
\$ 74,759	\$ 6,185,336	\$ 3,675,680	\$ 3,507,107	\$ 13,634,556

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2013

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 513,277	\$ 799,803	\$ 2,409
Payments to vendors	(367,603)	(672,905)	(2,392)
Payments for personnel services	(131,237)	(143,720)	-
Net cash provided by (used in) operating activities	<u>14,437</u>	<u>(16,822)</u>	<u>17</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental payments	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on long-term debt	-	-	-
Interest paid on long-term debt	-	-	-
Capital contributions received	-	-	-
Proceeds of borrowing from cash pool, net	-	-	-
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	-	-	-
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>776</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and investments	15,213	(16,822)	17
Cash and investments, beginning of year	104,511	54,612	16,420
Cash and investments, end of year	<u>\$ 119,724</u>	<u>\$ 37,790</u>	<u>\$ 16,437</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 5,115	\$ -	\$ (9,224)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	9,224
Changes in assets and liabilities:			
Accounts receivable	1,695	-	-
Due from other governments	2,968	-	-
Accrued interest receivable	(137)	-	-
Prepays	-	-	-
Deposits held with others	-	-	-
Accounts payable	4,541	(18,237)	17
Accrued liabilities	(257)	1,415	-
Due to other governments	-	-	-
Unearned revenue	-	-	-
Compensated absences	512	-	-
Net cash provided by (used in) operating activities	<u>\$ 14,437</u>	<u>\$ (16,822)</u>	<u>\$ 17</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
\$ -	\$ 1,016,376	\$ 20,033,502	\$ -	\$ 22,365,367
(18,662)	(1,017,406)	(18,737,067)	-	(20,816,035)
-	(377)	(1,292,218)	-	(1,567,552)
<u>(18,662)</u>	<u>(1,407)</u>	<u>4,217</u>	<u>-</u>	<u>(18,220)</u>
-	-	-	(129,516)	(129,516)
(200,000)	(665,325)	-	-	(865,325)
(470,824)	(38,441)	-	-	(509,265)
387,751	-	-	-	387,751
-	4,462,791	-	-	4,462,791
-	565,871	-	-	565,871
-	(4,451,961)	-	-	(4,451,961)
<u>(283,073)</u>	<u>(127,065)</u>	<u>-</u>	<u>-</u>	<u>(410,138)</u>
465,333	268	(1,386,596)	2,747	(917,472)
163,598	(128,204)	(1,382,379)	(126,769)	(1,475,346)
533,420	128,204	7,854,531	3,686,039	12,377,737
<u>\$ 697,018</u>	<u>\$ -</u>	<u>\$ 6,472,152</u>	<u>\$ 3,559,270</u>	<u>\$ 10,902,391</u>
\$ (403,212)	\$ (778,268)	\$ (1,322,678)	\$ -	\$ (2,508,267)
389,013	864,440	-	-	1,262,677
-	(16,009)	1,983,438	-	1,969,124
-	-	-	-	2,968
(1,014)	394	13,326	-	12,569
-	-	(39,851)	-	(39,851)
-	-	(239,994)	-	(239,994)
(3,449)	(71,964)	70,498	-	(18,594)
-	-	(535,170)	-	(534,012)
-	-	50,316	-	50,316
-	-	24,332	-	24,332
-	-	-	-	512
<u>\$ (18,662)</u>	<u>\$ (1,407)</u>	<u>\$ 4,217</u>	<u>\$ -</u>	<u>\$ (18,220)</u>



COUNTY OF MUSKEGON, MICHIGAN

Agency Funds

Trust and Agency (7010)--to hold monies for later distribution to other agencies or persons. Specifically, District Court holds ordinance fines and costs, appearance bonds, garnishments and restitutions. The Treasurer holds accounts including tax reverted lands, swamp land tax, payments in lieu of taxes and current real and personal property taxes. The administrative area holds Social Security payments, retirement payments, state-withheld income taxes and other payroll deductions.

Library Penal Fines (7210)--to account for monies received from District Court fines, in accordance with state statute (Section 4851 of Act 236 of the Public Acts of 1961), which are allocated annually for operations of the county's libraries.

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.

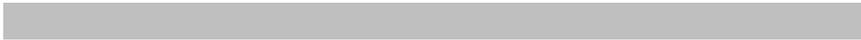
Orchard View (7982)--to account for monies received from the state for employment of economically disadvantaged youths.

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds
September 30, 2013

	Trust And Agency (7010)	Library Penal Fines Fund (7210)	Labor Management Program (7910)
ASSETS			
Cash and investments	\$ 9,844,967	\$ 91,811	\$ 87,495
Receivables:			
Accounts	11,125	-	-
Accrued interest	-	258	242
Total assets	<u>\$ 9,856,092</u>	<u>\$ 92,069</u>	<u>\$ 87,737</u>
LIABILITIES			
Accounts payable	\$ 19,705	\$ -	\$ 13
Due to other governments	436,176	-	-
Undistributed current and delinquent taxes	8,965,077	-	-
Trust deposits	418,124	-	-
Accrued liabilities	-	-	384
Unallocated receipts	17,010	92,069	87,340
Total liabilities	<u>\$ 9,856,092</u>	<u>\$ 92,069</u>	<u>\$ 87,737</u>



CMH Client Funds (7930)	Muskegon Veterans Affairs (7940)	Orchard View (7982)	Total
\$ 289,086	\$ -	\$ -	\$ 10,313,359
-	-	-	11,125
-	-	-	500
<u>\$ 289,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,324,984</u>
\$ 4,499	\$ -	\$ -	\$ 24,217
-	-	-	436,176
-	-	-	8,965,077
-	-	-	418,124
-	-	-	384
284,587	-	-	481,006
<u>\$ 289,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,324,984</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2013

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
Trust and Agency Fund (7010)				
ASSETS				
Cash and investments	\$ 5,347,028	\$ 157,596,413	\$ (153,098,474)	\$ 9,844,967
Accounts receivable	3,432,212	1,555,735	(4,976,822)	11,125
Total assets	<u>\$ 8,779,240</u>	<u>\$ 159,152,148</u>	<u>\$ (158,075,296)</u>	<u>\$ 9,856,092</u>
LIABILITIES				
Accounts payable	\$ 291,886	\$ 54,325,020	\$ (54,597,201)	\$ 19,705
Due to other governments	310,776	21,566,547	(21,441,147)	436,176
Undistributed current and delinquent taxes	7,168,303	32,138,577	(30,341,803)	8,965,077
Trust deposits	878,198	18,983,427	(19,443,501)	418,124
Unallocated receipts	130,077	32,138,577	(32,251,644)	17,010
Total liabilities	<u>\$ 8,779,240</u>	<u>\$ 159,152,148</u>	<u>\$ (158,075,296)</u>	<u>\$ 9,856,092</u>
Library Penal Fines (7210)				
ASSETS				
Cash and investments	\$ 63,680	\$ 329,329	\$ (301,198)	\$ 91,811
Accrued interest receivable	98	1,040	(880)	258
Total assets	<u>\$ 63,778</u>	<u>\$ 330,369</u>	<u>\$ (302,078)</u>	<u>\$ 92,069</u>
LIABILITIES				
Unallocated receipts	<u>\$ 63,778</u>	<u>\$ 330,369</u>	<u>\$ (302,078)</u>	<u>\$ 92,069</u>
Labor Management Program (7910)				
ASSETS				
Cash and investments	\$ 88,806	\$ 60,784	\$ (62,095)	\$ 87,495
Accrued interest receivable	88	687	(533)	242
Total assets	<u>\$ 88,894</u>	<u>\$ 61,471</u>	<u>\$ (62,628)</u>	<u>\$ 87,737</u>
LIABILITIES				
Accounts payable	\$ 674	\$ 41,032	\$ (41,693)	\$ 13
Accrued liabilities	322	385	(323)	384
Unallocated receipts	87,898	20,054	(20,612)	87,340
Total liabilities	<u>\$ 88,894</u>	<u>\$ 61,471</u>	<u>\$ (62,628)</u>	<u>\$ 87,737</u>
CMH Client Funds (7930)				
ASSETS				
Cash and investments	<u>\$ 337,551</u>	<u>\$ 3,665,946</u>	<u>\$ (3,714,411)</u>	<u>\$ 289,086</u>
LIABILITIES				
Accounts payable	\$ 141	\$ 13,736	\$ (9,378)	\$ 4,499
Unallocated receipts	337,410	3,652,210	(3,705,033)	284,587
Total liabilities	<u>\$ 337,551</u>	<u>\$ 3,665,946</u>	<u>\$ (3,714,411)</u>	<u>\$ 289,086</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2013

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
Muskegon Veterans Affairs (7940)				
ASSETS				
Cash and investments	\$ 111,375	\$ 376,549	\$ (487,924)	\$ -
Accounts receivable	-	952	(952)	-
Accrued interest receivable	149	831	(980)	-
Due from other governments	952	-	(952)	-
Total assets	<u>\$ 112,476</u>	<u>\$ 378,332</u>	<u>\$ (490,808)</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 1,685	\$ 300,016	\$ (301,701)	\$ -
Unallocated receipts	110,791	78,316	(189,107)	-
Total liabilities	<u>\$ 112,476</u>	<u>\$ 378,332</u>	<u>\$ (490,808)</u>	<u>\$ -</u>
Orchard View (7982)				
ASSETS				
Cash and investments	\$ 35,616	\$ 198	\$ (35,814)	\$ -
Accrued interest receivable	35	247	(282)	-
Total assets	<u>\$ 35,651</u>	<u>\$ 445</u>	<u>\$ (36,096)</u>	<u>\$ -</u>
LIABILITIES				
Unallocated receipts	<u>\$ 35,651</u>	<u>\$ 445</u>	<u>\$ (36,096)</u>	<u>\$ -</u>
Total All Agency Funds				
ASSETS				
Cash and investments	\$ 5,984,056	\$ 162,029,219	\$ (157,699,916)	\$ 10,313,359
Accounts receivable	3,432,212	1,556,687	(4,977,774)	11,125
Accrued interest receivable	370	2,805	(2,675)	500
Due from other governments	952	-	(952)	-
Total assets	<u>\$ 9,417,590</u>	<u>\$ 163,588,711</u>	<u>\$ (162,681,317)</u>	<u>\$ 10,324,984</u>
LIABILITIES				
Accounts payable	\$ 294,386	\$ 54,679,804	\$ (54,949,973)	24,217
Due to other governments	310,776	21,566,547	(21,441,147)	436,176
Undistributed current and delinquent taxes	7,168,303	32,138,577	(30,341,803)	8,965,077
Trust deposits	878,198	18,983,427	(19,443,501)	418,124
Accrued liabilities	322	385	(323)	384
Unallocated receipts	765,605	36,219,971	(36,504,570)	481,006
Total liabilities	<u>\$ 9,417,590</u>	<u>\$ 163,588,711</u>	<u>\$ (162,681,317)</u>	<u>\$ 10,324,984</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Combining Governmental Funds Balance Sheet / Statement of Net Position

Drainage Districts Component Unit

September 30, 2013

	Governmental Funds		
	General Fund	Capital Projects	Total
ASSETS			
Cash and investments	\$ 208,959	\$ 4,030	\$ 212,989
Receivables:			
Assessments	255,792	17,470	273,262
Interest	622	-	622
Capital assets being depreciated, net	-	-	-
Total assets	\$ 465,373	\$ 21,500	\$ 486,873
LIABILITIES			
Accounts payable	\$ 19,523	\$ -	\$ 19,523
Accrued liabilities	925	-	925
Advances from primary government	-	21,500	21,500
Total liabilities	20,448	21,500	41,948
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - assessment receivable	255,792	-	255,792
FUND BALANCES/NET POSITION			
Fund balances:			
Unassigned	189,133	-	189,133
Total liabilities, deferred inflows of resources and fund balances	\$ 465,373	\$ 21,500	\$ 486,873
Net position:			
Net investment in capital assets			
Unrestricted			
Total net position			



Adjustments	Statement of Net Position
\$ -	\$ 212,989
-	273,262
-	622
3,320,788	<u>3,320,788</u>
	<u>3,807,661</u>
-	19,523
-	925
-	<u>21,500</u>
-	41,948
(255,792)	-
(189,133)	<u>-</u>
3,320,788	3,320,788
444,925	444,925
	<u>\$ 3,765,713</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances / Statement of Activities Drainage Districts Component Unit For the Year Ended September 30, 2013

	Governmental Funds		
	General Fund	Capital Projects	Total
Expenditures / expenses:			
Construction and maintenance	\$ 282,907	\$ -	\$ 282,907
Depreciation	-	-	-
Total expenditures / expenses	<u>282,907</u>	<u>-</u>	<u>282,907</u>
Program revenues:			
Charges for services	<u>57,283</u>	<u>-</u>	<u>57,283</u>
Net program expenses			
General revenues:			
Investment earnings	<u>1,820</u>	<u>-</u>	<u>1,820</u>
Change in fund balances / net position	<u>(223,804)</u>	<u>-</u>	<u>(223,804)</u>
Fund balances/net position, beginning of year	<u>412,937</u>	<u>-</u>	<u>412,937</u>
Fund balances/net position, end of year	<u>\$ 189,133</u>	<u>\$ -</u>	<u>\$ 189,133</u>



Adjustments	Statement of Net Position
\$ - 82,162	\$ 282,907 82,162 <hr/> 365,069
255,792	<hr/> 313,075 (51,994)
-	<hr/> 1,820
173,630	<hr/> (50,174) 3,815,887
	<hr/> <hr/> \$ 3,765,713



STATISTICAL SECTION



Statistical Section

Contents

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.

	<u>Page</u>
Schedule	
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
B-1 Net Position by Component	169
B-2 Changes in Net Position	170
B-3 Fund Balances, Governmental Funds	172
B-4 Changes in Fund Balances, Governmental Funds	173
Revenue Capacity	
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
C-1 Tax Revenues by Source, Governmental Funds	174
C-2 Assessed and Taxable Value of Taxable Property	175
C-3 Principal Property Taxpayers	176
C-4 Direct and Overlapping Property Tax Rates	177
C-5 Property Tax Levies and Collections	178
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the county's ability to issue additional debt in the future.</i>	
D-1 Ratios of Outstanding Debt by Type	179
D-2 Ratios of General Bonded Debt Outstanding	180
D-3 Direct and Overlapping Governmental Activities Debt	181
D-4 Legal Debt Margin Information	182
D-5 Pledged-Revenue Coverage	183
Demographic and Economic Information	
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the county's ability to issue additional debt in the future.</i>	
E-1 Principal Employers	184
E-2 Demographic and Economic Statistics	185

Statistical Section

Contents

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs

F-1	County Government Employees by Function/Program	186
F-2	Operating Indicators by Function/Program	187
F-3	Capital Asset Statistics by Function/Program	189

Muskegon Area Transit System

2	Schedule of Expenditures of State and Federal Awards	190
4E	Urban Regular Service Expense Report	191
4N	Urban Regular Service Nonfinancial Report	193
4R	Urban Regular Service Revenue Report	194
5	Operating Assistance Calculation	196
6	Annual OPEB Cost and Net OPEB Obligation Schedule	198

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule B-1

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands of dollars)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net investment in capital assets	\$ 42,253	\$ 39,164	\$ 41,018	\$ 40,455	\$ 41,019	\$ 40,463	\$ 40,525	\$ 42,982	\$ 48,399	\$ 53,894
Restricted	16,160	21,604	18,876	12,686	16,845	11,339	5,900	3,594	4,031	3,540
Unrestricted	2,172	484	20,075	22,584	18,809	16,054	19,453	22,159	14,922	9,333
Total Governmental Activities Net Position	\$ 60,585	\$ 61,252	\$ 79,969	\$ 75,725	\$ 76,673	\$ 67,856	\$ 65,878	\$ 68,735	\$ 67,352	\$ 66,767
Business-type Activities										
Net investment in capital assets	\$ 84,950	\$ 85,437	\$ 91,214	\$ 91,214	\$ 97,018	\$ 117,230	\$ 105,750	\$ 101,923	\$ 100,796	\$ 98,852
Restricted	1,917	3,464	2,594	2,021	3,783	4,119	2,898	-	-	-
Unrestricted	24,873	23,576	18,720	21,087	25,696	13,846	22,415	25,546	26,164	22,839
Total Business-type Activities Net Position	\$ 111,740	\$ 112,477	\$ 112,528	\$ 114,322	\$ 126,497	\$ 135,195	\$ 131,063	\$ 127,469	\$ 126,960	\$ 121,691
Primary Government										
Net investment in capital assets	\$ 127,203	\$ 124,601	\$ 132,232	\$ 138,535	\$ 138,037	\$ 157,693	\$ 146,275	\$ 144,905	\$ 149,195	\$ 152,746
Restricted	18,077	25,068	21,470	14,707	20,628	15,458	8,798	3,594	4,031	3,540
Unrestricted	27,045	24,060	38,795	43,671	44,505	29,900	41,868	47,705	41,086	32,172
Total Primary Government Net Position	\$ 172,325	\$ 173,729	\$ 192,497	\$ 196,913	\$ 203,170	\$ 203,051	\$ 196,941	\$ 196,204	\$ 194,312	\$ 188,458

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 2004 to 2009 have not been retroactively adjusted for these reclassifications. The amounts above for fiscal year 2010 have been restated. GASB 63 and 65 were implemented for fiscal year ended September 30, 2013. This resulted in a change renaming net assets to net position and invested in capital assets, net of related debt to net investment in capital assets. As a result of implementation, bond issuance costs have been eliminated. Prior years were not restated retroactively.

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule B-2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands of dollars)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General county government	\$ 20,814	\$ 22,972	\$ 20,971	\$ 27,216	\$ 28,034	\$ 30,784	\$ 16,706	\$ 16,871	\$ 15,746	\$ 17,148
Judicial	7,704	7,801	8,173	8,333	8,437	8,531	8,649	8,443	8,299	8,390
Public safety	12,619	12,923	13,219	13,442	13,428	13,473	13,359	13,759	15,180	18,348
Health	103,018	103,897	109,598	113,300	108,059	113,687	102,097	105,761	104,068	106,364
Welfare	8,507	7,668	9,178	10,210	12,329	14,015	14,248	11,582	9,353	8,175
Legislative, cultural and recreation	3,279	3,247	2,983	2,199	2,661	2,774	1,849	3,249	3,980	1,697
Debt service expenses	1,114	1,162	1,242	1,007	875	736	692	721	684	1,133
Total governmental activities expense	157,055	159,670	165,364	175,707	173,823	184,000	157,600	160,386	157,310	161,255
Business-type activities:										
Local government public works financing	-	-	-	-	-	-	1,097	1,465	1,370	1,321
Solid Waste	3,988	794	3,526	3,600	1,325	3,757	4,319	3,428	2,308	2,737
Airport Operations	2,131	2,764	2,474	2,424	2,493	2,530	2,494	2,822	2,569	3,039
Regional Water System	377	358	693	2,381	3,169	4,554	3,133	3,036	2,961	3,166
Muskegon Area Transit System	3,115	3,217	3,384	3,294	3,288	3,314	4,034	4,156	4,260	4,809
Wastewater Management System	14,604	15,155	15,023	14,608	16,531	17,162	15,097	17,373	16,442	16,638
Brookhaven	-	-	-	-	-	-	15,333	17,253	15,441	15,155
Other proprietary funds	813	1,111	2,019	659	988	1,248	1,435	904	2,355	901
Total business-type activities expenses	25,028	23,399	27,119	26,966	27,794	32,565	46,942	50,437	47,706	47,766
Total primary government expenses	\$ 182,083	\$ 183,069	\$ 192,483	\$ 202,673	\$ 201,617	\$ 216,565	\$ 204,542	\$ 210,823	\$ 205,016	\$ 209,021
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 7,213	\$ 6,425	\$ 6,086	\$ 6,432	\$ 5,408	\$ 5,308	\$ 5,347	\$ 5,293	\$ 4,722	\$ 5,577
Judicial	2,929	2,919	2,949	3,277	2,996	2,716	2,596	3,714	2,604	2,886
Public safety	1,034	842	730	1,046	903	797	534	877	858	1,606
Health	78,776	74,835	72,247	76,698	84,614	83,648	72,700	77,925	74,810	77,094
Other activities	1,047	1,738	1,408	1,656	1,134	1,348	1,265	1,103	2,456	1,170
Operating grants and contributions	33,629	30,783	33,518	35,229	34,958	34,476	37,929	35,764	31,528	29,703
Capital grants and contributions	-	-	-	-	-	-	-	-	383	693
Total governmental activities program revenues	124,628	117,542	116,938	124,338	130,013	128,293	120,371	124,676	117,371	118,729

continued...

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule B-2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(in thousands of dollars)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services:										
Wastewater	\$ 12,796	\$ 12,281	\$ 12,640	\$ 13,832	\$ 15,970	\$ 13,816	\$ 12,043	\$ 13,816	\$ 16,466	\$ 18,247
Brookhaven	-	-	-	-	-	-	14,847	15,513	13,492	14,046
Other	4,401	6,521	7,618	8,700	9,117	12,366	11,898	13,136	11,870	12,206
Operating grants and contributions	4,904	2,828	2,982	5,215	6,111	4,116	1,809	3,622	1,305	2,037
Capital grants and contributions	3,201	2,380	2,323	5,829	734	10,165	1,227	1,065	5,377	3,379
Total business-type activities program revenues	25,302	24,010	25,563	33,576	31,932	40,463	41,824	47,152	48,510	49,915
Total primary government program revenues	\$ 142,844	\$ 140,948	\$ 149,901	\$ 163,589	\$ 160,225	\$ 160,834	\$ 166,500	\$ 164,523	\$ 165,881	\$ 168,644
Net (Expense)/Revenue										
Governmental activities	\$ (32,427)	\$ (42,128)	\$ (48,426)	\$ (51,369)	\$ (43,810)	\$ (55,707)	\$ (35,710)	\$ (39,939)	\$ (39,939)	\$ (42,526)
Business-type activities	1,903	(3,109)	(1,403)	5,782	(633)	(6,479)	(8,613)	(554)	804	2,149
Total primary government net expense	\$ (30,524)	\$ (45,237)	\$ (49,829)	\$ (45,587)	\$ (44,443)	\$ (62,186)	\$ (44,323)	\$ (40,493)	\$ (39,135)	\$ (40,377)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property/Liquor/Lodging taxes	\$ 24,227	\$ 31,294	\$ 35,076	\$ 36,902	\$ 29,559	\$ 28,981	\$ 28,600	\$ 27,914	\$ 26,599	\$ 26,812
State shared revenue	2,282	-	-	-	-	-	192	3,601	2,728	2,748
Investment earnings (loss)	759	1,149	2,158	2,505	1,718	1,027	282	222	256	(742)
Other revenue and transfers	5,937	10,352	29,908	7,718	13,481	16,883	6,954	6,830	8,973	13,162
Total governmental activities	33,205	42,795	67,142	47,125	44,758	46,891	36,028	38,567	38,556	41,980
Business-type activities:										
Investment earnings	586	958	1,260	1,564	1,515	783	283	359	349	-
Other revenue and transfers	(191)	(833)	348	485	(344)	18	(882)	(668)	(2,835)	(7,219)
Total business-type activities	395	125	1,608	2,049	1,171	801	(599)	(309)	(2,486)	(7,219)
Total primary government	\$ 33,600	\$ 42,920	\$ 68,750	\$ 49,174	\$ 45,929	\$ 47,692	\$ 35,429	\$ 38,258	\$ 36,070	\$ 34,761
Change in Net Position										
Governmental activities	\$ 778	\$ 667	\$ 18,716	\$ (4,244)	\$ 948	\$ (8,816)	\$ 318	\$ (1,372)	\$ (1,383)	\$ (546)
Business-type activities	2,298	(2,984)	205	7,831	538	(5,678)	(9,212)	(863)	(1,682)	(5,070)
Total primary government	\$ 3,076	\$ (2,317)	\$ 18,921	\$ 3,587	\$ 1,486	\$ (14,494)	\$ (8,894)	\$ (2,235)	\$ (3,065)	\$ (5,616)

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 2004 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Reserved	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ -	\$ -	\$ -
Unreserved	6,897	7,260	7,511	8,071	8,479	8,592	8,597	-	-	-
Nonspendable	-	-	-	-	-	-	-	2,914	2,738	2,528
Restricted	-	-	-	-	-	-	-	158	114	45
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	40	-
Unassigned	-	-	-	-	-	-	-	8,253	7,839	7,217
Total general fund	\$ 7,486	\$ 7,849	\$ 8,100	\$ 8,660	\$ 9,068	\$ 9,181	\$ 9,186	\$ 11,325	\$ 10,731	\$ 9,790
All Other Governmental Funds:										
Reserved	\$ 933	\$ 1,453	\$ 1,317	\$ 1,858	\$ 1,445	\$ 1,405	\$ 1,189	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	4,271	8,219	12,405	16,036	13,218	9,245	5,761	-	-	-
Debt Service Funds	1,541	1,761	1,585	1,801	2,024	2,685	986	-	-	-
Capital Projects Funds	3,451	5,404	14,026	7,661	11,113	8,103	5,402	-	-	-
Permanent Funds	54	53	53	51	50	47	47	-	-	-
Nonspendable	-	-	-	-	-	-	-	1,193	1,134	1,072
Restricted	-	-	-	-	-	-	-	3,846	4,005	3,514
Committed	-	-	-	-	-	-	-	351	335	279
Assigned	-	-	-	-	-	-	-	2,962	1,512	5,210
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 10,250	\$ 16,890	\$ 29,386	\$ 27,407	\$ 27,850	\$ 21,485	\$ 13,385	\$ 8,352	\$ 6,986	\$ 10,075
Total Fund Balance for Governmental Funds	\$ 17,736	\$ 24,739	\$ 37,486	\$ 36,067	\$ 36,918	\$ 30,666	\$ 22,571	\$ 19,677	\$ 17,717	\$ 19,865

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 24,226	\$ 31,294	\$ 35,076	\$ 36,902	\$ 29,559	\$ 28,981	\$ 28,892	\$ 25,242	\$ 27,033	\$ 27,327
Operating grants and contributions	33,629	30,783	33,518	35,229	34,958	34,476	35,831	38,465	33,313	31,894
Charges for services	89,003	84,748	83,420	87,132	88,447	92,835	95,624	88,627	84,981	87,758
Other	8,105	9,284	8,627	8,734	8,302	12,646	8,947	9,441	7,248	7,040
Total revenues	154,963	156,109	160,641	167,997	161,266	168,938	169,294	161,775	152,575	154,019
Expenditures										
General county government	17,158	17,143	17,786	20,574	18,627	18,511	17,491	17,487	15,155	16,267
Judicial	7,663	7,758	8,136	8,294	8,410	8,503	8,636	8,578	8,075	7,938
Public safety	12,379	12,712	13,016	13,243	13,242	13,281	13,323	13,620	12,652	14,800
Health	101,563	100,254	109,301	112,990	107,987	113,626	114,349	105,454	102,830	105,231
Welfare	8,383	7,551	9,070	10,103	12,224	13,921	14,246	11,598	9,177	8,101
Other	3,047	3,017	2,598	1,987	2,453	2,569	2,142	2,941	4,063	1,251
Capital outlay	1,310	3,918	1,132	1,706	1,422	5,876	2,753	1,488	2,079	3,306
Debt service:										
Principal	2,040	2,285	6,460	1,540	1,715	11,475	4,160	1,470	1,375	1,690
Interest	1,039	1,074	1,242	864	873	736	691	739	669	625
Other	75	88	162	143	2	1	-	-	-	-
Total expenditures	154,657	155,800	168,903	171,444	166,955	188,499	177,791	163,375	156,075	159,209
Excess of revenues over (under) expenditures	306	309	(8,262)	(3,447)	(5,689)	(19,561)	(8,497)	(1,600)	(3,500)	(5,190)
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	11,410	15,249	15,506	17,066	16,136	17,594	16,388	13,774	13,092	17,640
Transfers out	(10,874)	(14,081)	(15,511)	(17,494)	(15,602)	(18,187)	(15,967)	(14,415)	(11,567)	(10,302)
Sale of capital assets	36	526	434	1,460	7	26	23	7	15	-
Total other financing sources (uses)	572	6,694	21,009	2,027	6,541	13,308	403	(492)	1,540	7,338
Net change in fund balances	\$ 878	\$ 7,003	\$ 12,747	\$ (1,420)	\$ 852	\$ (6,253)	\$ (8,094)	\$ (2,092)	\$ (1,960)	\$ 2,148
Debt service as a percentage of noncapital expenditures	2.07%	2.27%	4.72%	1.51%	1.57%	6.73%	2.98%	1.36%	1.33%	1.48%

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
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
2013	24,624	915	1,273	26,812
Change 2004-2013	6.1%	20.7%	73.9%	8.6%

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 per \$1,000	Percentage of Taxable to Assessed Value
	Real Property	Personal Property	Total Assessed	Real Property	Personal Property	Total Taxable		
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
2013	4,145	465	4,610	3,799	465	4,264	6.70	92

Source: Muskegon County Equalization Department

Assessed value approximates 50% of market value.

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule C-3

Principal Property Tax Payers

Current Year and Nine Years Ago

(in thousands of dollars)

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	\$ 117,514	1	2.55 %	\$ 114,892	1	3.03 %
Alcoa Howmet	50,279	2	1.09	44,678	3	1.18
DTE Energy	30,961	3	0.67	25,587	5	0.67
Diversified Machine Montague Inc	19,713	5	0.43	—		—
Sun Chemical of Michigan LLC	19,552	4	0.42	24,641	6	0.65
L3 Communications Corp	18,942	8	0.41	—		—
Bayer CropScience	17,312	7	0.38	—		—
THF Fruitport Development LP	15,937	9	0.35	19,201	7	0.51
Meijer Inc	15,002	6	0.33	—		—
The Lakes Mall LLC	14,723	10	0.32	—		—
Sappi Inc	—		—	54,055	2	1.42
Hayes-Lemmerz International	—		—	35,668	4	0.94
Cannon Muskegon Group	—		—	12,781	8	0.34
Johnson Technology Inc	—		—	11,958	9	0.32
General Dynamics Inc	—		—	11,422	10	0.30
Total	<u>\$ 319,935</u>		<u>6.95 %</u>	<u>\$ 354,883</u>		<u>9.36 %</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	
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
2013	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 .32 mills

⁽²⁾ County debt was issued for the renovation of a performing arts building

⁽³⁾ Authority operating millage equals between .30 and .75 operating mills

COUNTY OF MUSKEGON, 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
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	1,483,123	24,931,584	100.0
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
2013	23,354,910	22,154,078	94.9	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 (2)	Other Debt	Building Authority Bonds (3)	Revenue Bonds	Local Govt Public Works Bonds	Delinquent Tax Notes			
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	2.81	891.47
2013	10,200	1,414	9,860	78,383	27,845	16,000	143,702	2.66	844.40

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		
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
2013	10,200	9,860	20,060	0.47	117.87

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, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping debt:			
School Districts (K-12)	\$ 504,802,979	75.343%	\$ 380,333,995
Cities, Villages, and Townships	75,475,000	100.000%	75,475,000
Muskegon Community College	7,195,000	100.000%	7,195,000
White Lake Community Library	775,000	100.000%	775,000
Ottawa Area Intermediate School District	45,600,000	0.130%	59,280
Subtotal, overlapping debt			<u>463,838,275</u>
County direct debt, governmental activities			<u>21,473,612</u>
Total direct and overlapping debt			<u><u>\$ 485,311,887</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 2013

Assessed value (000s)	\$4,610,255
Debt limit percentage	10%
Debt limit (10% of SEV)	<u>\$ 461,026</u>
Debt applicable to limit:	
General obligation bonds (1)	10,200
Other debt	1,414
Building authority bonds (2)	9,860
Revenue bonds	78,383
Local Govt Public Works Finance	27,845
Delinquent tax notes	<u>16,000</u>
Total net debt applicable to limit	<u>143,702</u>
Legal debt margin	<u><u>\$ 317,324</u></u>

		Fiscal Year									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	(a)	\$ 484,014	\$ 505,360	\$ 529,516	\$ 554,383	\$ 566,879	\$ 548,943	\$ 522,120	\$ 494,300	\$ 474,649	\$ 461,026
Total net debt applicable to limit	(b)	<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>	<u>143,702</u>
Legal debt margin available	(a-b)	<u><u>\$ 432,525</u></u>	<u><u>\$ 455,853</u></u>	<u><u>\$ 447,681</u></u>	<u><u>\$ 454,411</u></u>	<u><u>\$ 462,089</u></u>	<u><u>\$ 414,156</u></u>	<u><u>\$ 381,610</u></u>	<u><u>\$ 338,055</u></u>	<u><u>\$ 322,937</u></u>	<u><u>\$ 317,324</u></u>
Total net debt applicable to limit as a percentage of debt limit	(b/a)	10.64%	9.80%	15.45%	18.03%	18.49%	24.55%	26.91%	31.61%	31.96%	31.17%
County net debt limit as a percentage of total State Equalized Value (1)		1.06%	0.98%	1.55%	1.80%	1.85%	2.46%	2.69%	3.16%	3.20%	3.12%

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)									
2004	\$ 3,459	\$ 1	\$ 3,458	\$ 2,140	\$ 1,292	100 %	\$ 1,350	\$ 835	\$ 515	100 %
2005	3,318	1	3,317	2,240	1,075	100	1,494	1,020	474	100
2006	3,442	1	3,441	2,300	963	105	745	325	420	100
2007	3,519	1	3,518	2,495	1,041	99	1,526	325	1,201	100
2008	3,862	17	3,845	2,290	994	90	1,727	375	1,352	100
2009	5,371	35	5,336	2,315	1,293	148	2,114	615	1,499	100
2010	5,536	91	5,445	3,675	1,822	99	1,841	630	1,211	100
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	2,343	1,070	1,273	100
2013	5,200	—	5,200	3,840	1,586	104	2,356	1,120	1,236	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	2013			2004		
	Employees (1)	Rank	Percentage of Total County Employment (2)	Employees (3)	Rank	Percentage of Total County Employment (5)
Mercy Health Partners	3,657	1	4.5 %	3,700 (4)	1/3	4.1 %
Alcoa Howmet	2,060	2	2.5	—		—
County of Muskegon	1,108	3	1.4	1,300	4	1.5
Muskegon Public Schools	941	4	1.2	—		—
Meijer	866	5	1.1	1,100	5	1.2
ADAC Automotive	750	6	0.9	—		—
GE Aviation	644	7	0.8	—		—
Port City Group	600	8	0.7	—		—
Diversified Machine	425	9	0.5	—		—
Knoll Furniture	403	10	0.5	—		—
Howmet Corp	—		—	2,100	2	2.3
Hayes Lemmerz International	—		—	620	6	0.7
Dana Corporation	—		—	550	8	0.6
Sappi Inc	—		—	550	9	0.6
Johnson Technology Inc	—		—	475	10	0.5
General Dynamics Land Systems	—		—	580	7	0.6
Total	11,454		14.0 %	10,975		12.3 %

(1) Source: Muskegon Area First

(2) Source: U.S. Census Bureau

(3) Source: Muskegon County 2004 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 1300. These two organizations have since merged to become Mercy Health Partners.

(5) Source: Muskegon County Strategic Infrastructure Study

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
	(1)	(1)	(1)	(2)	(3)	(4)
2003	172,269	\$ 4,327,854	\$ 25,123	35.5	33,580	9.0 %
2004	172,771	4,408,115	25,514	35.5	33,370	7.7
2005	173,608	4,474,596	25,774	35.5	32,982	6.9
2006	173,710	4,627,783	26,641	35.5	31,796	6.8
2007	173,738	4,765,807	27,431	35.5	31,488	7.1
2008	173,846	4,898,789	28,233	35.5	30,713	8.5
2009	172,755	4,705,478	27,984	35.5	30,977	14.5
2010	171,969	5,006,786	29,114	38.2	30,021	13.5
2011	170,021	5,234,139	30,785	38.2	29,243	10.2
2012	170,182	5,392,301	31,685	38.2	28,787	8.8

Sources: (1) Population and personal income information provided by the U.S. Department of Commerce

(2) Median age from decennial data provided by U.S. Census Bureau

(3) School enrollment information provided by State of Michigan Center for Educational Performance and Information (CEPI)

(4) Unemployment data provided by State of Michigan Department of Technology, Management and Budget (DTMB)

Note: Unemployment rate information is an adjusted yearly average.

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-1

County Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Legislative										
Board of Commissioners	11	11	11	11	11	11	11	11	11	11
General Government										
Administration	9	9	9	9	9	8	9	4	6	7
Corporate Counsel	3	3	-	-	-	-	-	-	-	-
County Clerk/Circuit Court Records	14	14	14	15	15	15	15	14	14	14
Prosecutor's Office	36	36	35	35	34	33	32	31	32	27
Treasurer's Office	10	10	10	10	10	10	10	9	9	9
Equalization	22	22	22	22	25	24	24	23	20	20
Register of Deeds	9	9	9	9	9	9	9	8	8	8
Drain Commissioner	5	5	5	5	5	4	4	4	6	11
Accounting/Budget	11	11	10	10	9	9	9	10	7	8
Human Resources	5	5	5	5	5	6	6	3	3	3
Purchasing	4	4	4	4	4	3	3	3	3	2
Office Services	5	5	5	3	3	3	3	3	2	2
Information Systems	8	8	8	8	8	8	8	8	7	5
Risk Management	8	8	8	8	8	9	9	8	8	10
Facilities Management	14	14	14	16	18	16	16	15	15	13
Judicial										
Circuit Court	19	19	23	24	22	22	22	22	23	23
District Court	60	60	63	63	63	63	64	65	64	63
Family Court	86	80	82	80	78	80	81	69	66	66
Probate Court	7	7	7	7	7	7	7	7	7	7
Public safety										
Sheriff	132	134	135	137	135	134	135	134	125	122
Animal Licensing	-	-	-	-	-	-	-	-	-	4
Courtroom Security	-	-	10	8	9	8	8	8	8	9
Community Corrections	8	8	8	5	8	8	8	5	6	4
Emergency Services	3	2	3	2	2	2	2	2	2	1

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-1

County Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Health										
Public Health	79	81	85	85	86	87	87	81	83	72
Mental Health	328	323	327	329	333	341	346	342	350	370
Brookhaven Medical Care	239	239	239	242	274	270	268	269	269	270
Water system	-	-	2	2	2	2	2	3	3	3
Wastewater	81	65	59	57	57	57	57	54	52	54
Solid Waste	15	15	14	14	13	14	13	14	14	15
Welfare										
Child Haven	16	16	16	16	16	16	16	16	16	16
Juvenile Detention Center	27	27	27	27	27	27	27	29	36	37
Workforce Development	21	21	22	23	23	23	24	12	14	14
Cultural										
MSU Cooperative Extension	1	1	1	1	1	1	1	1	1	1
District Library	41	41	27	39	-	-	-	-	-	-
Parks and Recreation										
County Parks	22	22	22	22	22	22	22	22	22	22
Convention/Visitor's Bureau	5	6	7	7	7	8	8	6	6	6
Airport	15	15	14	13	13	12	13	12	13	12
Transit	46	46	47	46	46	46	46	54	55	58
Total	1,425	1,402	1,409	1,419	1,417	1,418	1,425	1,382	1,386	1,399

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety Police										
Bookings	9,343	9,815	10,343	11,083	10,475	9,567	8,743	8,436	8,654	8,149
Traffic Stops	3,521	3,087	2,447	2,836	2,025	2,135	1,964	2,147	3,160	3,512
Verbal Warnings	1,706	1,683	1,100	1,082	1,421	1,747	2,130	2,419	2,788	2,823
Citations	2,851	2,491	2,039	2,460	2,082	1,393	1,721	1,377	1,299	1,693
Public Safety-Corrections										
Average Daily Jail Population	433	412	414	409	403	401	403	401	407	405
Avg Population as Pct of Capacity	117%	111%	112%	111%	109%	108%	109%	108%	110%	109%
Sanitation										
Refuse collected (tons)	61,256	88,971	126,994	125,775	147,484	104,984	128,850	137,467	102,729	109,580
Recyclables collected (tons)	77	66	39	22	16	18	79	65	63	44
Water										
New connections	995	1,033	106	152	91	70	194	61	60	48
Average daily consumption (thousands of gallons)	374	483	406	680	560	1,108	520	1,195	1,216	1,159
Wastewater										
Average daily sewer treatment (million gallons)	26	23	20	20	20	16	13	12	12	12
District Court										
Cases filed	43,554	44,573	45,275	48,304	47,631	42,527	39,993	34,796	36,868	36,656
Cases disposed	51,932	46,915	45,036	48,431	47,584	45,331	40,937	39,045	40,789	39,152
Cases pending	5,800	6,183	6,607	6,450	7,036	4,571	13,915	4,609	5,210	4,717
Airport										
Total landings / take-offs	61,243	63,876	56,743	53,852	62,538	58,137	47,373	37,017	34,599	31,383
Passengers	64,819	72,134	68,811	63,651	63,957	35,119	27,362	27,711	37,724	36,634
Transit										
Total Vehicle Miles	570,726	581,368	576,018	569,060	547,048	534,484	595,223	695,211	790,430	784,796
Total Revenue Miles	504,545	541,758	553,740	554,256	513,873	530,039	595,217	676,887	713,705	707,842
Total Passengers	424,217	437,815	493,631	529,377	611,162	617,828	641,416	739,283	719,908	731,633

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

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-3

Capital Asset Statistics by Function / Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety-Sheriff										
Patrol Units	28	25	25	24	24	25	25	30	27	29
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)	263	263	263	278	278	278	278	278	278	278
Maximum Daily Treatment Capacity (millions of gallons)	43	43	43	42	42	42	42	42	42	42
Airport										
Capacity (thousand of passengers)	119	129	129	118	91	66	63	70	73	73
Transit										
Number of Buses	15	15	18	22	22	17	17	21	24	37
Solid Waste										
Total Capacity (thousand cubic yards)	3,100	3,100	3,100	3,778	3,778	3,778	3,778	3,778	3,778	3,778
Remaining Capacity (thousand cubic yards)	2,462	2,362	2,214	2,099	1,952	1,816	1,695	1,596	1,517	1,388
Remaining Capacity (percent of total)	79.4%	76.2%	71.4%	55.6%	51.7%	48.1%	44.9%	42.2%	40.2%	36.7%

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, 2013

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	MI-90-X407	\$1,968,161	\$ 235,475	\$ 235,475	\$ -	\$ -	\$ 1,732,686	\$ -
Capital assistance - section 5307	20.507	MI-90-X558	1,456,745	24,888	24,888	-	-	1,431,857	-
Capital assistance - section 5307	20.507	MI-90-X636	1,535,560	875,673	875,673	-	-	659,887	-
Capital assistance - section 5307	20.507	MI-90-X653	1,546,910	552,376	552,376	-	-	-	994,534
Capital grant - section 5309 - capital assistance	20.500	MI-03-0228	485,888	12,157	12,157	-	-	207,735	265,996
Capital grant - section 5309 - facility development	20.500	MI-04-0069	451,440	16,242	16,242	-	-	20,435	414,763
Capital grant - CMAQ capital assistance	20.507	MI-95-X055	411,822	20,471	20,471	-	-	391,351	-
Capital grant - bus equipment replacement	20.507	MI-95-X087	281,906	281,906	281,906	-	-	-	-
ARRA Capital grant - bus equipment replacement	20.507	MI-96-X010	2,043,050	239,568	239,568	-	-	1,803,482	-
Passed through Michigan Department of Transportation:									
FTA/MDOT Section 5317 New Freedom Mobility Mgt	20.521	2012-0138 P001	200,000	100,000	100,000	-	-	97,060	2,940
FTA/MDOT Section 5317 New Freedom Mobility Mgt	20.521	2012-0138 P003	180,000	180,000	180,000	-	-	-	-
FTA/MDOT Section 5317 New Freedom	20.521	2007-0264 Z16	540,000	225,010	225,010	-	-	100,000	214,990
Total U.S. Department of Transportation				2,763,766	2,763,766	-	-	6,444,493	1,893,223
Michigan Department of Transportation									
Operating Assistance - formula funding	N/A	FY13	886,372	886,372	-	886,372	-	-	-
FY2005 Architecture and Engineering Match Funds - 20% 8 expansion vans	N/A	07-0264/Z2	121,472	3,039	-	3,039	-	51,934	66,499
Bus stop improvements	N/A	07-0264/Z16	57,000	56,252	-	56,252	-	-	748
Preventative maintenance, property acquisition	N/A	12-0138/P003	20,000	20,000	-	20,000	-	-	-
Expansion buses	N/A	12-0138/P004	113,000	46,154	-	46,154	-	-	66,846
Specialized services	N/A	12-0138/P005	70,477	70,477	-	70,477	-	-	-
FY2011/12 Preventative Maintenance Match - 20%	N/A	12-0138/P006	65,499	65,499	-	65,499	-	-	-
FY2009 Architecture and Engineering Match Funds - 20%	N/A	07-0264/Z20	110,000	25,869	-	25,869	-	84,131	-
	N/A	07-0264/Z22	112,860	4,061	-	4,061	-	5,109	103,690
Total Michigan Department of Transportation				1,177,723	-	1,177,723	-	141,174	237,783
Total Expenditures of Federal and State Awards				\$ 3,941,489	\$ 2,763,766	\$ 1,177,723	\$ -	\$ 6,585,667	\$2,131,006

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)

Muskegon Area Transit System Fund

Schedule 4E

Urban Regular Service Expense Report

For the Year Ended September 30, 2013

	Operations	Maintenance	General Administration	Total System
Operating expenses				
Labor				
Salaries and wages - operators	\$ 1,254,467	\$ -	\$ 2,588	\$ 1,257,055
Salaries and wages - other	-	160,456	289,085	449,541
Fringe benefits	501,191	78,402	98,446	678,039
Pension	106,721	17,784	30,264	154,769
Services				
Advertising	-	-	17,226	17,226
Audit	-	-	3,479	3,479
Other services	-	3,034	23,549	26,583
Materials and supplies				
Fuel	382,339	-	-	382,339
Tires and tubes	34,767	-	-	34,767
Major purchases	-	-	157	157
Other materials and supplies	15,481	315,314	86,345	417,140
Casualty and liability costs				
Liability insurance	238,947	-	-	238,947
Other insurance	-	-	6,941	6,941
Utilities	-	102,973	20,531	123,504
Miscellaneous				
Travel, meetings and training	-	-	6,157	6,157
Association dues and subscriptions	-	-	13,676	13,676
Equipment leases	-	-	989	989
Depreciation	715,227	-	60	715,287
Total operating expenses	3,249,140	677,963	599,493	4,526,596

continued...

Muskegon Area Transit System Fund
 Schedule 4E
 Urban Regular Service Expense Report
 For the Year Ended September 30, 2013

	Operations	Maintenance	General Administration	Total System
Ineligible expenses				
Ineligible alternative fuel rebate	\$ 36,031	\$ -	\$ -	\$ 36,031
Ineligible depreciation	715,227	-	-	715,227
Ineligible portion of association dues	-	-	1,122	1,122
Ineligible preventive maintenance	48,466	484,392	-	532,858
Ineligible new freedom grant	-	-	100,000	100,000
Administrative expense paid by capital contract	-	-	40,773	40,773
New service CMAQ - federal 80%	152,774	-	-	152,774
Total ineligible expenses	<u>952,498</u>	<u>484,392</u>	<u>141,895</u>	<u>1,578,785</u>
Total eligible expenses				<u><u>\$ 2,947,811</u></u>
Reconciliation of operating expenses to the financial statements				
Operating expenses per above				\$ 4,526,596
Specialized services				65,502
Bus shelters				200,000
Local capital items				<u>16,778</u>
Operating expenses per Statement of Revenues, Expenses, and Changes in Fund Net Position				<u><u>\$ 4,808,876</u></u>

concluded

Muskegon Area Transit System Fund
 Schedule 4N
 Urban Regular Service Nonfinancial Report
 For the Year Ended September 30, 2013

	Miles	Hours
Linehaul		
First Quarter	132,386	9,796
Second Quarter	130,493	9,656
Third Quarter	140,268	10,331
Fourth Quarter	141,843	10,580
	<u>544,990</u>	<u>40,363</u>
Demand response		
First Quarter	52,571	3,281
Second Quarter	64,752	3,905
Third Quarter	62,236	3,675
Fourth Quarter	60,247	3,853
	<u>239,806</u>	<u>14,714</u>
Total operations	<u><u>784,796</u></u>	<u><u>55,077</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, 2013

	Linehaul	Demand Response	Total
Passenger fares	\$ 478,828	\$ 74,625	\$ 553,453
Concessions	2,865	-	2,865
Advertising	16,001	-	16,001
Greyhound commissions	40,410	-	40,410
Building rental	1,113	-	1,113
Other nontransit revenue	1,359	-	1,359
Alternative fuel reimbursement	28,095	-	28,095
Insurance claim	7,936	-	7,936
Local operating assistance	132,167	-	132,167
	<u>708,774</u>	<u>74,625</u>	<u>783,399</u>
State Cash Grants/Reimbursements			
FY2013 Formula Funding	764,280	122,092	886,372
FY2005 Architecture and Engineering Match Funds - 2007-0264/Z4	3,039	-	3,039
8 expansion vans 2007-0264/Z16	56,252	-	56,252
Bus stop improvements 2012-0138/P003	20,000	-	20,000
Preventative maintenance, property acquisition 2012-0138/P004	46,154	-	46,154
Expansion buses 2012-0138/P005	70,477	-	70,477
Specialized services 2012-0138/P006	65,499	-	65,499
FY2011/12 Preventative Maintenance Match - 2007-0264/Z20	25,869	-	25,869
FY2009 Architecture and Engineering Match Funds - 2007-0264/Z22	4,061	-	4,061
	<u>1,055,631</u>	<u>122,092</u>	<u>1,177,723</u>
Federal Cash Grants/Reimbursements			
Capital assistance - section 5307 - CMAQ	235,475	-	235,475
Capital assistance - section 5307 - Formula	24,888	-	24,888
Capital assistance - section 5307 - Formula	641,450	234,223	875,673
Capital assistance - section 5307 - Formula	552,376	-	552,376
Capital grant - section 5309 - capital assistance	12,157	-	12,157
Capital grant - section 5309 - facility development	16,242	-	16,242
Capital grant - CMAQ capital assistance	20,471	-	20,471
Capital grant - bus equipment replacement - CMAQ	281,906	-	281,906
ARRA Capital grant - bus equipment replacement	239,568	-	239,568
FY12 FTA/MDOT Section 5317 New Freedom Mobility Mgt	100,000	-	100,000
FY13 FTA/MDOT Section 5317 New Freedom Mobility Mgt	180,000	-	180,000
FTA/MDOT Section 5317 New Freedom	225,010	-	225,010
	<u>2,529,543</u>	<u>234,223</u>	<u>2,763,766</u>

continued...

Muskegon Area Transit System Fund
 Schedule 4R
 Urban Regular Service Revenue Report
 For the Year Ended September 30, 2013

	Linehaul	Demand Response	Total
Other revenue			
Interest income	\$ 179	\$ -	\$ 179
Total revenues	\$ 4,294,127	\$ 430,940	\$ 4,725,067

concluded

Other nontransit revenue above includes scrap sales of \$2,154 less loss on disposal of capital assets of \$795.

Muskegon Area Transit System Fund

Schedule 5
 Operating Assistance Calculation
 For the Year Ended September 30, 2013

State eligible expenses	
Labor	\$ 1,706,596
Fringe benefits	678,039
Pension	154,769
Advertising and other service	43,809
Audit	3,479
Materials and supplies	834,403
Casualty and liability costs	238,947
Other insurance	6,941
Utilities	123,504
Miscellaneous	19,833
Interest expense	989
Depreciation	<u>715,287</u>
Total expenses	<u>4,526,596</u>
Less ineligible expenses	
Ineligible alternative fuel rebate	36,031
Ineligible depreciation	715,227
Ineligible portion of association dues	1,122
Ineligible preventive maintenance	532,858
Ineligible new freedom grant	100,000
Administrative expense paid by capital contract	40,773
New service CMAQ - federal	<u>152,774</u>
Total ineligible expenses	<u>1,578,785</u>
State eligible expenses	<u>\$ 2,947,811</u>
State operating assistance - 30.6498%	<u>\$ 903,498</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. Other post employment benefits costs were charged and paid to the County-wide OPEB trust.



COUNTY OF MUSKEGON, MICHIGAN

Muskegon Area Transit System Fund

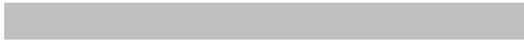
Schedule 6

Annual OPEB Cost and Net OPEB Obligation Schedule

For the Year Ended September 30, 2013

	2007	2008	2009	2010
Annual required contribution	\$ 206,342	\$ 183,586	\$ 172,002	\$ 180,155
Interest on the prior year's net OPEB obligation	-	-	-	-
Adjustment to annual required contribution	-	-	-	-
Annual OPEB cost	<u>206,342</u>	<u>183,586</u>	<u>172,002</u>	<u>180,155</u>
Amount contributed:				
Payment of current premiums	206,342	183,586	172,002	180,155
Payment of prior year expenses	-	-	-	-
Payment of future expenses	-	-	-	-
Total amount contributed	<u>206,342</u>	<u>183,586</u>	<u>172,002</u>	<u>180,155</u>
Increase (decrease) in OPEB obligation	-	-	-	-
OPEB obligation, beginning of year	-	-	-	-
OPEB obligation, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Unaudited)



2011	2012	2013
\$ 218,387	\$ 163,222	\$ 167,997
-	-	-
-	-	-
<u>218,387</u>	<u>163,222</u>	<u>167,997</u>
218,387	163,222	167,997
-	-	-
-	-	-
<u>218,387</u>	<u>163,222</u>	<u>167,997</u>
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>