

County of  
Muskegon,  
Michigan



Year Ended  
September 30,  
2014

Comprehensive  
Annual Financial  
Report





County of Muskegon, Michigan

Comprehensive Annual Financial Report  
For the Year Ended September 30, 2014

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

*Beth M. Dick, CPA  
Director of Finance/Assistant County Administrator*

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

# COUNTY OF MUSKEGON, MICHIGAN

## Table of Contents

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	<b>1</b>
Principal Officials	2
Letter of Transmittal	3
Table of Organization	8
GFOA Certificate of Achievement	9
<b>FINANCIAL SECTION</b>	<b>11</b>
Independent Auditors' Report	13
Management's Discussion and Analysis	17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	30
Fund Financial Statements:	
Balance Sheet - Governmental Funds	32
Reconciliation of Fund Balances for Governmental Funds to Net Position of Governmental Activities	33
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	34
Reconciliation of Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	35
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund	36
Community Mental Health Special Revenue Fund	37
Statement of Net Position - Proprietary Funds	38
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	42
Statement of Cash Flows - Proprietary Funds	44
Statement of Fiduciary Net Position	48
Statement of Changes in Fiduciary Net Position	49
Combining Statement of Net Position - Discretely Presented Component Units	50
Combining Statement of Activities - Discretely Presented Component Units	51
Notes to Financial Statements	53
Required Supplementary Information:	
Schedule of Funding Progress - Employees' Retirement Plan	92
Schedule of Employer Contributions - Employees' Retirement Plan	92
Schedule of Funding Progress - Other Postemployment Benefit Plan	93
Schedule of Employer Contributions - Other Postemployment Benefit Plan	93

# 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	96
Schedule of Transfers Out by Function - Budget and Actual	98
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	114
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds	122
Nonmajor Enterprise Funds:	
Combining Statement of Net Position - Nonmajor Enterprise Funds	144
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Nonmajor Enterprise Funds	146
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	148
Internal Service Funds:	
Combining Statement of Net Position - Internal Service Funds	154
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	156
Combining Statement of Cash Flows - Internal Service Funds	158
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds	162
Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds	164
Component Units:	
Combining Governmental Funds Balance Sheet/Statement of Net Position - Drainage Districts Component Unit	166
Combining Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Drainage Districts Component Unit	168

# COUNTY OF MUSKEGON, MICHIGAN

## Table of Contents

	<u>Page</u>	
STATISTICAL SECTION (UNAUDITED)		
<u>TABLE</u>		
B-1	Net Position by Component	175
B-2	Changes in Net Position	176
B-3	Fund Balances, Governmental Funds	178
B-4	Changes in Fund Balances, Governmental Funds	179
C-1	Tax Revenues by Source, Governmental Funds	180
C-2	Assessed and Taxable Value of Taxable Property	181
C-3	Principal Property Tax Payers	182
C-4	Direct and Overlapping Property Tax Rates	183
C-5	Property Tax Levies and Collections	184
D-1	Ratio of Outstanding Debt by Type	185
D-2	Ratios of General Bonded Debt Outstanding	186
D-3	Direct and Overlapping Governmental Activities Debt	187
D-4	Legal Debt Margin Information	188
D-5	Pledged-Revenue Coverage	189
E-1	Principal Employers	190
E-2	Demographic and Economic Statistics	191
F-1	County Government Employee Headcount by Function/Program	192
F-2	Operating Indicators by Function/Program	194
F-3	Capital Asset Statistics by Function/Program	195
Muskegon Area Transit System		
	Schedule 2 - Schedule of Expenditures of State and Federal Awards	196
	Schedule 4E - Urban Regular Service Expense Report	197
	Schedule 4N - Urban Regular Service Nonfinancial Report	199
	Schedule 4R - Urban Regular Service Revenue Report	200
	Schedule 5 - Operating Assistance Calculation	202
	Schedule 6 - Annual OPEB Cost and Net OPEB Obligation Schedule	204

## INTRODUCTORY SECTION

# COUNTY OF MUSKEGON, MICHIGAN

## Principal Officials

As of March 25, 2015

### BOARD OF COMMISSIONERS

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

### 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  
Andrew J. Wierengo III, Pro Tem  
Harold F. Closz III  
Raymond L. Kostrzewa, Jr.

#### *Probate Court Judges*

Neil G. Mullally, Presiding 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*

Brenda M. Moore  
*Drain Commissioner*

### ADMINISTRATION

Mark E. Eisenbarth  
*County Administrator*

Beth M. Dick, CPA  
*Director of Finance/Assistant County Administrator*

# MUSKEGON COUNTY

M I C H I G A N

## BOARD OF COMMISSIONERS

Terry J. Sabo  
Chair, District 8

Benjamin E. Cross  
Vice-Chair, District 2

Marvin R. Engle  
District 5

Susie Hughes  
District 3

Jeff Lohman  
District 7

Kenneth Mahoney  
District 9

Charles Nash  
District 6

Robert Scolnik  
District 4

Rillastine R. Wilkins  
District 1

March 25, 2015

To the Citizens, Administrator Mark Eisenbarth 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, 2014.

### 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, 2014, 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, 2014, 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 MUSKEGON COUNTY 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

Like other Michigan counties, Muskegon County has been significantly impacted by the economic downturn. Four consecutive years of declines in taxable values has resulted in decreasing revenues from property taxes, the County's largest single source of revenue in the General Fund. Declines in taxable values have resulted in \$2.7 million in lost revenues over the time period from fiscal years 2009 through 2013. Signs of an improving economy began to show however during the fiscal year ended September 30, 2014, with a 0.64% increase in taxable values resulting in a \$663,000 increase in property tax revenues over the prior year. Residential building and home sales as well as some commercial expansion have all contributed to this increase.

Another sign that the local economy is improving is the decline in unemployment rate. Unemployment had reached as high as 15.9% during fiscal year 2010. Fiscal year 2014 began the year with 10.2% unemployment but the rate had fallen by the end of the year to 8.2%. Many local industries have started to hire again and some are even expanding their operations.

# COUNTY OF MUSKEGON, MICHIGAN

## Transmittal Letter

The State of Michigan's financial condition also has a significant impact on the County's budget. Revenue sharing payments to counties have not been a consistent revenue stream over the last several years. Revenue sharing revenues have declined from \$4.1 million in fiscal year 2011 down to \$2.9 million in fiscal year 2014. In addition, for fiscal year 2014 the State required that the traditional revenue sharing payments be contingent upon meeting the requirements of the County Incentive Program (CIP). This program required the County to address three general areas; Accountability & Transparency, Consolidation of Services, and Unfunded Accrued Liabilities. The County complied with all of these requirements and therefore received its full allocation of revenue sharing payments in 2014.

### Long-term financial planning

Although fiscal year 2014 was a year of improving local economic conditions, the lost revenues of the prior years and increasing wage and benefit costs continued to challenge Muskegon County's efforts to balance the budget. Through the collaborative efforts of the County's Functional Budget Teams, revenue enhancements and expenditure reductions totaling \$1 million were achieved in an effort to balance the 2014 budget while continuing to maintain service levels as much as possible. This was the third year that the Functional Budget Team approach to budgeting was utilized. The four teams are General Government, Community Services, Human Services and Public Safety. Elected officials, directors and staff from each department participate on one or more of these teams depending on the type of activities performed by their departments. The budget process begins with a projected General Fund budget deficit being developed by the County's budget staff based on various budget assumptions with regards to revenues and expenditures. Each team is given a target amount based on that projection that the group must work together to provide revenue enhancements, expenditure reductions or a combination of the two that will help to avoid the originally-calculated budget shortfall. Some highlights of the collaborative efforts of these teams that were implemented for fiscal year 2014 were as follows:

#### *General Government Budget Team Highlights:*

- Deleted a full-time Project Manager position
- Transferred the full-time Automation/Controls Project Manager position from General Fund to Wastewater
- Treasurer's Office reduced bank service charges by \$12,000

#### *Community Services Budget Team Highlights:*

- Switched from a local police department providing law enforcement services to the Airport to the Muskegon County Sheriff Department providing those services thereby bringing revenues in-house to the General Fund
- Allocated 20 percent of the full-time Airport Administrative Secretary to the Convention and Visitors Bureau resulting in General Fund cost reductions
- Allocated the Deputy Drain Commissioner partially to Drain Fund resulting in General Fund cost reductions

#### *Human Services Budget Team Highlights:*

- Develop community-based program by working with at-risk parents with the intent of keeping families intact and parents out of the justice system
- Identify high risk youth of "transition age" (16 and older) with the intent of keeping young people in the community and out of jail, the hospital and the child welfare system
- Expand the Community Mental Health Brinks program which was previously licensed only as an adult foster care program to be licensed as a crisis stabilization unit
- Continued to pursue options for programming space for local community youth residential beds
- Family Court and Community Mental Health have pursued a planning grant regarding the development of a youth problem-solving court

# COUNTY OF MUSKEGON, MICHIGAN

## Transmittal Letter

### *Public Safety Budget Team Highlights:*

- Prosecutor staff realignment resulting in reduced General Fund costs
- District Court reduced overtime and other expenses
- District Court Crime Victim Rights revenue enhancements

The County is continually looking for areas to consolidate operations, share services between departments and collaborate with other agencies and municipalities in an effort to generate new revenues and reduce expenditures. However, due to declines in property values, reductions in revenue sharing and the rising costs of employee wages and benefits, the County's General Fund ended fiscal year 2014 with an operating deficit of \$85,000. For County governments the most significant expenditures are its personnel costs. Measures have been taken to reduce health care costs by restructuring the County's medical plans effective October 1, 2015. Positions have been evaluated for elimination and consolidation. A general hiring freeze for all General Fund nonessential positions has continued since fiscal 2003. The Functional Budget Teams as well as Administrative staff and the County Board of Commissioners continue to work together toward improving the County's overall financial condition while protecting the County's core services.

### **MAJOR INITIATIVES**

The most significant initiative in fiscal 2014 was the commencement of *construction of a new Jail and Juvenile Transition Center*. In October 2013 \$38.87 million in General Obligation bonds were issued to finance the construction of these two facilities. This project had been an ongoing priority for many years. The County Board designated \$6.0 million in surplus funds from Delinquent Tax funds to be used towards this capital project. The Juvenile Transition Center was completed in October 2014 and the new Jail is anticipated to be completed in the summer of 2015.

Another area the County Board has focused on is the *expanding the County's public transportation operations to rural areas* of the County and improving the transit system's infrastructure. Muskegon Area Regional Connections (MARC) is an initiative of Muskegon Area Transit System (MATS) to provide public transportation route services throughout Muskegon County. New routes in Montague, Holton, Ravenna and the White Lake area started in November 2014. In addition, MATS had been developing plans for many years for the renovation and expansion of its downtown bus terminal. The project is now underway with completion targeted for the summer of 2015.

Economic development continues to be a priority of the County. With the recent signs of improvement in the economy, the County decided to add an *Economic Development Coordinator position* to the budget in fiscal year 2014. The purpose of the position is to maintain close relationships with local government, businesses, property owners, commercial real estate professionals, and developers and other economic development agencies and partners in order to support existing businesses and promote investment and development within the County. In addition, the position manages public improvement projects related to economic development and redevelopment within Muskegon County, including public-private partnerships.

One economic development project that the County is a partner on is the *development of the Port of Muskegon* to expand ship operator connections with airport, highways and rail lines. The Muskegon County Port Advisory Committee has been assembled to research the viability of such a multi-modal logistics hub being developed at Muskegon Lake, which is the largest natural deep-water port in West Michigan. Logistic studies, infrastructure analysis, organizational structure analysis, and a Muskegon Lake Master Plan are all underway through the efforts of this Port Advisory Committee.

# COUNTY OF MUSKEGON, MICHIGAN

## Transmittal Letter

Another continuing economic development focus is increasing the flow to the County's *Wastewater Treatment Facility* and the development of the Wastewater system property. Since the closure of the local paper mill several years ago, the Wastewater Treatment Facility has had excess capacity. A feasibility study is being conducted to assess the potential for new food related processing businesses to utilize the Wastewater Treatment Facility property as a possible resource.

*Neighborhood stabilization and revitalization* is another initiative that the County has determined is a critical component to the area's long-term economic development. The Muskegon County Land Bank Authority was formed in 2007 to transform vacant, tax delinquent and abandoned property for the benefit of the surrounding property, to improve the community, stabilize the area, give low income families the opportunity to be home owners and return the property to the tax rolls. In addition, Muskegon County is partnering with Michigan State University and Michigan Works! of Muskegon and Oceana counties to incorporate sustainability into the revitalization of blighted areas. This partnership involves taking the deconstruction materials from blight elimination activities and developing a local deconstruction research and training facility called Second Harvest that will repurpose, reuse or recycle these materials thereby reducing contributions to the County landfill.

### 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, 2013. This was the 36th 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, 2014.

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,



Beth M. Dick, CPA  
Director of Finance/Assistant County Administrator



Dwight D. Avery, CPA, CCM, CGFM  
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, 2013**

Executive Director/CEO

This page intentionally left blank.

## FINANCIAL SECTION

This page intentionally left blank.

**INDEPENDENT AUDITORS' REPORT**

March 25, 2015

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, 2014, 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 97 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 4 percent, 1 percent, and 49 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 special revenue 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, 2014, 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 25, 2015, 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.

A handwritten signature in black ink that reads "Rehmann Lobson LLC". The signature is written in a cursive, flowing style.

This page intentionally left blank.

## 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, 2014. 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 approximately \$9.5 million (5.0%) as a result of this year's operations. Net position of governmental activities decreased by approximately \$11.3 million (-16.9%) and net position of business-type activities increased by approximately \$1.8 million (1.5%).
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$36.1 million, an increase of more than \$16.2 million in comparison with the prior year. Approximately \$5.8 million (16.1 percent) of this governmental funds total amount is unassigned fund balance in the General Fund.
- Capital assets related to governmental activities increased by \$19.6 million to \$94.8 million. \$19.6 million of this was the current year spending on the Jail/Juvenile Transition Center construction project.
- The County borrowed \$12 million in delinquent tax anticipation notes (DTANs), \$44.8 million in general obligation tax bonds for capital projects and \$0.5 million in various capital leases.

### 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, liabilities, and deferred inflows of resources, 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, Community Mental Health fund and Capital Projects Jail /JTC Building 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, equipment revolving, 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 \$179.0 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	
	2014	2013	2014	2013	2014	2013
<b>ASSETS</b>						
Current and other assets	\$ 56.5	\$ 40.6	\$ 89.3	\$ 84.9	\$ 145.8	\$ 125.5
Capital assets, net	94.8	75.2	171.0	177.7	265.8	252.9
Total assets	151.3	115.8	260.3	262.6	411.6	378.4
DEFERRED OUTFLOWS OF RESOURCES	0.1	0.1	-	-	0.1	0.1
<b>LIABILITIES</b>						
Long-term liabilities	71.4	28.2	132.4	137.4	203.8	165.6
Other liabilities	24.5	20.9	4.4	3.5	28.9	24.4
Total liabilities	95.9	49.1	136.8	140.9	232.7	190.0
<b>NET POSITION</b>						
Net investment in capital assets	51.9	53.9	96.6	98.9	148.5	152.8
Restricted	3.1	3.6	-	-	3.1	3.6
Unrestricted	0.5	9.3	26.9	22.8	27.4	32.1
Total net position	\$ 55.5	\$ 66.8	\$ 123.5	\$ 121.7	\$ 179.0	\$ 188.5

By far the largest portion of the County's net position in the amount of 83% 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 \$27.4 million or 15%, 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, 2014, was approximately \$183.1 million while total cost of all programs and services was \$189.1 million. This results in a decrease in net position of \$9.5 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	
	2014	2013	2014	2013	2014	2013
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 68.4	\$ 88.3	\$ 43.0	\$ 44.5	\$ 111.4	\$ 132.8
Operating grants	26.8	29.7	2.1	2.0	28.9	31.7
Capital grants	0.7	0.7	4.6	3.4	5.3	4.1
General revenues:						
Property taxes	25.2	24.6	-	-	25.2	24.6
Other taxes	2.5	2.2	-	-	2.5	2.2
State shared revenue	2.9	2.7	-	-	2.9	2.7
Other	6.9	5.3	-	-	6.9	5.3
Total revenues	133.4	153.5	49.7	49.9	183.1	203.4
<b>PROGRAM EXPENSES</b>						
General government	20.5	17.1	-	-	20.5	17.1
Legislative	0.4	0.4	-	-	0.4	0.4
Judicial	9.0	8.4	-	-	9.0	8.4
Public safety	23.4	18.3	-	-	23.4	18.3
Health	77.7	106.4	-	-	77.7	106.4
Welfare	7.7	8.2	-	-	7.7	8.2
Cultural	0.3	0.3	-	-	0.3	0.3
Recreation	1.0	1.0	-	-	1.0	1.0
Interest	2.9	1.1	-	-	2.9	1.1
Local govt public works financing	-	-	1.3	1.3	1.3	1.3
Airport operations	-	-	2.9	3.0	2.9	3.0
Regional water	-	-	3.1	3.2	3.1	3.2
Wastewater	-	-	17.3	16.6	17.3	16.6
Brookhaven	-	-	13.1	15.2	13.1	15.2
Other enterprise funds	-	-	8.5	8.5	8.5	8.5
Total program expenses	142.9	161.2	46.2	47.8	189.1	209.0
Increase (decrease) before transfers	(9.5)	(7.7)	3.5	2.1	(6.0)	(5.6)
Transfers	1.7	7.2	(1.7)	(7.2)	-	-
Special item	(3.5)	-	-	-	(3.5)	-
Increase (decrease) in net position	\$ (11.3)	\$ (0.5)	\$ 1.8	\$ (5.1)	\$ (9.5)	\$ (5.6)

Governmental Activities. The preceding table shows that the governmental activities decreased the County's net position by approximately \$11.3 million during this fiscal year. The factors in this decrease are illustrated in the following table. The \$2.4 million net loss by the insurance fund was the result of a \$2.9 million self-insured group medical plan excess of expenses over revenues net of net gains in other areas.

# COUNTY OF MUSKEGON, MICHIGAN

## Management's Discussion and Analysis

*Analysis of changes in governmental activities net position  
(in millions of dollars)*

Depreciation expense	\$	(4.3)
Special item-CMH risk reserve (Note 19)		(3.5)
Interest expense		(2.9)
Insurance fund net loss		(2.4)
Increase in other post-employment benefits obligation (note 14)		(1.6)
Other changes, net		<u>3.4</u>
Net (decrease) in net position-Governmental activities	\$	(11.3)

The significant decrease within governmental activities (a) charges for services program revenue and (b) health program expenditures was the result of the reduced scope of services provided by Community Mental Health Fund (CMH) effective after the first three months of fiscal 2014. These revenues decreased by \$22.2 million and the related expenditures decreased by \$22.7 million because the mental health activities of organizations previously served under the managed care contract have not been a part of the Muskegon County CMH Fund after that time.

**Business-type Activities.** Business-type activities increased the County's net position by approximately \$1.8 million during the year. This increase is primarily the result of Public Works surpluses totaling \$1.4 million among the Wastewater Management, Regional Water, Solid Waste and Local Government Public Works Financing funds.

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$36.1 million, an increase of \$16.2 million from the prior year. This increase was primarily due to remaining unspent bond proceeds related to the County Jail/Juvenile Transition Center (JTC) construction project, namely, \$12.9 million of capital project funds remaining at the end of fiscal 2014 and \$3.7 million of debt service reserve funds remaining that were set aside to pay for the first five semi-annual interest-only payments on the Jail/JTC bonds.

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 \$5.8 million while total fund balance amounted to \$9.7 million. Although the general fund's total fund balance decreased from the prior year by \$0.08 million, the amount of its operating loss, the general fund's unassigned fund balance decreased by \$1.4 million largely due to a \$1.5 million advance to an internal service fund. This advance contributed not only to the decrease in the general fund's unassigned fund balance but also to the increase in its nonspendable portion of total fund balance (see Note 16). As a measure of the general fund's liquidity, it may be useful to compare its unassigned fund balance to annual spending as represented by the sum of expenditures and transfers out. At September 30, 2014, general fund unassigned fund balance approximated 12.4% of reported general fund expenditures plus transfers out for the year then ended, which compares with approximately 15.6% at the end of the prior year.

The Community Mental Health special revenue fund had a current year increase in fund balance amounting to \$28,096, resulting in ending fund balance of \$0.6 million. Additional details for the Community Mental Health fund can be located at Note 19 and in its separately issued financial statements.

# COUNTY OF MUSKEGON, MICHIGAN

## Management's Discussion and Analysis

During the year ended September 30, 2014, the County issued \$38.87 million in bonds in connection with construction of a new County Jail and Juvenile Transition Center (JTC). Building construction is accounted for in the Capital Projects Jail / JTC Building Fund and money restricted for the related debt principal and interest payments is accumulated in the Jail / JTC Debt Service Fund. The building fund incurred significant capital outlay costs during the year and also transferred \$4.6 million of the bond proceeds to cover the first five semiannual debt service payments. The ending fund balances at September 30, 2014, were approximately \$17.6 million and \$3.7 million respectively in the building and debt service reserve funds.

**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 and reported an increase in net position of \$1.8 million. The local government public works financing fund operates on a breakeven basis. The wastewater fund reported an increase in net position of \$0.9 million or 5.0% of operating revenues.

**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:

- Property tax revenues were amended upward by \$0.47 million as a result of increased property values.
- Increased local grant revenues and general government expenditures of approximately \$0.5 million resulting from renewal of a DTE energy efficiency program for County residents.
- Budget amendments for \$0.76 million in general fund public safety expenditures. Included was \$0.40 million increased wage and benefit costs and \$0.27 million for public safety equipment.
- In total, actual revenues for the general fund were under final budget by \$0.06 million, while actual expenditures exceeded final budget by \$0.16 million.

### CAPITAL ASSET AND DEBT ADMINISTRATION

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

	CAPITAL ASSETS (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 4.5	\$ 4.4	\$ 20.0	\$ 19.9	\$ 24.5	\$ 24.3
Construction in progress	24.0	2.2	0.7	-	24.7	2.2
	28.5	6.6	20.7	19.9	49.2	26.5
Depreciable capital assets	112.5	111.3	278.1	278.9	390.6	390.2
Accumulated depreciation	(46.2)	(42.7)	(127.8)	(121.1)	(174.0)	(163.8)
Total capital assets, net	\$ 94.8	\$ 75.2	\$ 171.0	\$ 177.7	\$ 265.8	\$ 252.9

As of September 30, 2014, net capital assets used in governmental activities increased by \$19.6 million, or 26.1%, over the prior year. This year-to-year change represents about \$23.1 million in capital additions less disposals and depreciation expense. Additions to construction in progress for the ongoing County Jail and Juvenile Transition Center building projects represented approximately \$19.7 million, or 85%, of governmental activities capital additions.

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

# COUNTY OF MUSKEGON, MICHIGAN

## Management's Discussion and Analysis

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

	OUTSTANDING DEBT (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Bonds	\$ 62.9	\$ 20.1	\$ 100.7	\$ 106.2	\$ 163.6	\$ 126.3
Delinquent tax notes	-	-	16.0	16.0	16.0	16.0
Other debt	1.2	1.4	-	-	1.2	1.4
Total installment debt	64.1	21.5	116.7	122.2	180.8	143.7
Deferred premium	0.2	-	0.4	0.4	0.6	0.4
Closure and sludge cost	-	-	13.9	13.2	13.9	13.2
Compensated absences	7.1	6.7	1.4	1.6	8.5	8.3
Totals	\$ 71.4	\$ 28.2	\$ 132.4	\$ 137.4	\$ 203.8	\$ 165.6

State statutes limit the amount of general obligation debt a local government may incur to 10 percent of its total assessed property valuation. The current debt limitation for the County is approximately \$471 million, which is significantly in excess of the County's approximately \$181 million of outstanding general obligation debt.

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

### 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 2015 balanced budget.

	General Fund Changes in Fund (dollars in thousands)		
	2015 Budget	2014	2013
Revenues	\$ 44,030	\$ 43,745	\$ 42,452
Expenditures			
General government	15,086	16,079	15,457
Legislative	370	344	379
Judicial	8,459	7,888	7,595
Public safety	13,291	13,467	13,297
Cultural	204	200	215
Total expenditures	37,410	37,978	36,943
Revenues over/(under) expenditures	6,620	5,767	5,509
Other financing sources/(uses)			
Transfers in	2,300	2,889	2,853
Transfers out	(8,920)	(8,761)	(9,304)
Other	-	21	-
Total other financing sources/(uses)	(6,620)	(5,851)	(6,451)
Changes in fund balance	-	(84)	(942)
Fund balance, beginning	9,705	9,789	10,731
Fund balance, ending	\$ 9,705	\$ 9,705	\$ 9,789

# COUNTY OF MUSKEGON, MICHIGAN

## Management's Discussion and Analysis

The following economic factors were considered in preparing the County's budget for the 2015 fiscal year:

- After yearly declines since 2009, Muskegon County property values started to rebound in 2014 with a net increase of 0.64% from the previous year. *Property tax revenues* were budgeted conservatively at a \$155,000 increase over the prior year original budget.
- Based on estimates from the State of Michigan, the County's *State Revenue Sharing* revenue is budgeted to increase by approximately \$720,000 or 20% over the prior year's revenue. The County has completed the three requirements necessary to receive these payments under the State's County Incentive Program.
- The Information Systems department that has been part of the general government function within the general fund was moved to an *Information Technology Internal Services Fund* starting with the fiscal 2015 budget. The *general fund* Information Systems budget for 2015 dropped to zero from approximately \$1.1 million in 2014 because of this move of information technology activities to the internal service fund, which largely explains the decrease in general government expenditures between 2014 results and the 2015 budget.

### 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 / Assistant County Administrator, Muskegon County, 990 Terrace St, Muskegon, MI 49442.

This page intentionally left blank.

## BASIC FINANCIAL STATEMENTS

# COUNTY OF MUSKEGON, MICHIGAN

## Statement of Net Position

September 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 32,891,590	\$ 40,806,649	\$ 73,698,239	\$ 5,419,904
Receivables, net	20,388,519	48,324,962	68,713,481	5,622,616
Internal balances	2,368,489	(2,368,489)	-	-
Other assets	817,284	237,676	1,054,960	2,811,798
Restricted assets	-	2,088,248	2,088,248	-
Advances to component units	21,500	225,000	246,500	-
Capital assets not being depreciated	28,535,857	20,726,966	49,262,823	25,324,757
Capital assets being depreciated, net	66,279,089	150,276,380	216,555,469	45,495,315
Total assets	<u>151,302,328</u>	<u>260,317,392</u>	<u>411,619,720</u>	<u>84,674,390</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on bond refunding	128,940	-	128,940	-
<b>LIABILITIES</b>				
Payables	14,415,584	2,535,090	16,950,674	437,949
Accrued liabilities	5,879,673	1,889,850	7,769,523	2,970,189
Advances from primary government	-	-	-	246,500
Unearned revenue	155,228	12,037	167,265	322,359
Long-term liabilities:				
Due within one year	3,716,104	18,373,873	22,089,977	237,000
Due in more than one year	67,675,058	113,992,015	181,667,073	550,281
Net other postemployment benefit obligation	4,095,873	-	4,095,873	-
Total liabilities	<u>95,937,520</u>	<u>136,802,865</u>	<u>232,740,385</u>	<u>4,764,278</u>
<b>NET POSITION</b>				
Net investment in capital assets	51,937,783	96,621,240	148,559,023	70,410,072
Restricted for:				
Grant programs and other activities	2,983,791	-	2,983,791	-
Capital projects	53,888	-	53,888	-
Nonexpendable endowments	37,090	-	37,090	-
Unrestricted	481,196	26,893,287	27,374,483	9,500,040
Total net position	<u>\$ 55,493,748</u>	<u>\$ 123,514,527</u>	<u>\$ 179,008,275</u>	<u>\$ 79,910,112</u>

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

This page intentionally left blank.

COUNTY OF MUSKEGON, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2014

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities:				
General government	\$ 20,492,220	\$ 5,390,373	\$ 3,746,440	\$ 338,739
Legislative	399,621	-	-	-
Judicial	9,042,491	2,898,023	400,208	-
Public safety	23,316,097	1,748,544	1,077,087	333,966
Health	77,724,819	57,141,432	14,482,519	-
Welfare	7,746,527	10,000	7,042,776	-
Cultural	285,925	-	49,119	-
Recreation	945,830	671,203	-	-
Interest	2,903,902	507,228	-	-
Total governmental activities	<u>142,857,432</u>	<u>68,366,803</u>	<u>26,798,149</u>	<u>672,705</u>
Business-type activities:				
Local government public works financing	1,284,772	1,644,509	4,009	-
Airport operations	2,873,787	1,060,472	28,872	1,028,813
Regional water	3,134,781	3,163,060	100,979	-
Wastewater	17,326,592	18,091,171	134,245	-
Brookhaven Medical Care	13,112,798	12,445,619	321	-
Other enterprise funds	8,463,792	6,563,754	1,833,454	3,593,656
Total business-type activities	<u>46,196,522</u>	<u>42,968,585</u>	<u>2,101,880</u>	<u>4,622,469</u>
<b>Total primary government</b>	<u>\$ 189,053,954</u>	<u>\$ 111,335,388</u>	<u>\$ 28,900,029</u>	<u>\$ 5,295,174</u>
<b>Component units</b>				
Road Commission	\$ 14,977,941	\$ 3,170,327	\$ 9,413,473	\$ 5,730,142
Drainage Districts	399,552	257,059	-	-
Muskegon County Land Bank	245,070	259,185	-	-
<b>Total component units</b>	<u>\$ 15,622,563</u>	<u>\$ 3,686,571</u>	<u>\$ 9,413,473</u>	<u>\$ 5,730,142</u>

Net (expense) revenue

General revenues:

Taxes:

Property taxes

Liquor control taxes

Lodging excise taxes

State shared revenue

Unrestricted investment earnings

Gain on sale of capital assets

Other revenue

Transfers - internal activities

Special item (Note 19)

Total general revenues and transfers

Change in net position

Net position, beginning of year

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			Component Units
Governmental Activities	Business-type Activities	Total	

\$ (11,016,668)	\$ -	\$ (11,016,668)	\$ -
(399,621)	-	(399,621)	-
(5,744,260)	-	(5,744,260)	-
(20,156,500)	-	(20,156,500)	-
(6,100,868)	-	(6,100,868)	-
(693,751)	-	(693,751)	-
(236,806)	-	(236,806)	-
(274,627)	-	(274,627)	-
(2,396,674)	-	(2,396,674)	-
(47,019,775)	-	(47,019,775)	-

-	363,746	363,746	-
-	(755,630)	(755,630)	-
-	129,258	129,258	-
-	898,824	898,824	-
-	(666,858)	(666,858)	-
-	3,527,072	3,527,072	-
-	3,496,412	3,496,412	-
(47,019,775)	3,496,412	(43,523,363)	-

-	-	-	3,336,001
-	-	-	(142,493)
-	-	-	14,115
-	-	-	3,207,623
(47,019,775)	3,496,412	(43,523,363)	3,207,623

25,217,528	-	25,217,528	-
1,403,072	-	1,403,072	-
1,096,033	-	1,096,033	-
2,882,259	-	2,882,259	-
1,627,421	-	1,627,421	68,694
57,038	-	57,038	-
5,294,208	-	5,294,208	155,459
1,673,142	(1,673,142)	-	-
(3,504,402)	-	(3,504,402)	-
35,746,299	(1,673,142)	34,073,157	224,153
(11,273,476)	1,823,270	(9,450,206)	3,431,776
66,767,224	121,691,257	188,458,481	76,478,336
\$ 55,493,748	\$ 123,514,527	\$ 179,008,275	\$ 79,910,112

COUNTY OF MUSKEGON, MICHIGAN

**Balance Sheet**

Governmental Funds

September 30, 2014

	General Fund (1010)	Community Mental Health (2220)	Capital Projects Jail / JTC Building (4660)	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ 22,208,135	\$ 7,557,546	\$ 29,765,681
Receivables, net:					
Accounts	357,843	860,959	-	219,665	1,438,467
Due from other governments	1,532,273	5,149,066	-	3,672,143	10,353,482
Accrued interest	23,228	-	-	21,112	44,340
Property taxes	7,186,928	-	-	-	7,186,928
Long-term notes	45,000	-	-	875,000	920,000
Prepaid and other items	-	155,014	-	732	155,746
Inventories	-	-	-	16,617	16,617
Advances to other funds	3,771,996	-	-	-	3,771,996
Advances to component units	21,500	-	-	-	21,500
<b>Total assets</b>	<b>\$ 12,938,768</b>	<b>\$ 6,165,039</b>	<b>\$ 22,208,135</b>	<b>\$ 12,362,815</b>	<b>\$ 53,674,757</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Negative equity in pooled cash	\$ 1,649,618	\$ 309,005	\$ -	\$ 2,801,367	\$ 4,759,990
Payables:					
Accounts payable	665,312	3,256,714	4,646,182	826,793	9,395,001
Due to other governments	109,673	1,948,961	-	35,238	2,093,872
Accrued liabilities	809,152	-	-	391,071	1,200,223
Unearned revenue	127	50,000	-	87,724	137,851
<b>Total liabilities</b>	<b>3,233,882</b>	<b>5,564,680</b>	<b>4,646,182</b>	<b>4,142,193</b>	<b>17,586,937</b>
<b>Fund balances:</b>					
Nonspendable	3,838,496	155,014	-	929,439	4,922,949
Restricted	58,586	445,345	17,561,953	6,698,279	24,764,163
Committed	-	-	-	213,725	213,725
Assigned	-	-	-	379,179	379,179
Unassigned	5,807,804	-	-	-	5,807,804
<b>Total fund balances</b>	<b>9,704,886</b>	<b>600,359</b>	<b>17,561,953</b>	<b>8,220,622</b>	<b>36,087,820</b>
<b>Total liabilities and fund balances</b>	<b>\$ 12,938,768</b>	<b>\$ 6,165,039</b>	<b>\$ 22,208,135</b>	<b>\$ 12,362,815</b>	<b>\$ 53,674,757</b>

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, 2014

Fund balances - total governmental funds \$ 36,087,820

Amounts reported for *governmental activities* 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	26,627,893
Capital assets being depreciated, net	48,581,886

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	6,894,252
---	-----------

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	(50,575,000)
Unamortized deferred loss on bond refunding	128,940
Compensated absences	(7,045,621)
Accrued interest on long-term debt	(1,110,549)
Net other postemployment benefit obligation	(4,095,873)

Net position of governmental activities	<u>\$ 55,493,748</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, 2014

	General Fund (1010)	Community Mental Health (2220)	Capital Projects Jail / JTC Building (4660)	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 25,082,259	\$ -	\$ -	\$ 3,212,976	\$ 28,295,235
Licenses and permits	77,925	-	-	-	77,925
Grants and contributions:					
Federal	2,377,643	361,853	-	8,930,032	11,669,528
State	4,531,907	5,779,491	-	6,160,669	16,472,067
Local	555,916	219,701	-	269,422	1,045,039
Charges for services	9,320,556	55,702,383	-	2,532,258	67,555,197
Fines and forfeitures	526,233	-	-	4,410	530,643
Investment income	184,857	36,226	-	76,543	297,626
Rentals	170,179	-	-	956,623	1,126,802
Other	917,317	2,804,665	-	897,600	4,619,582
Total revenues	<u>43,744,792</u>	<u>64,904,319</u>	<u>-</u>	<u>23,040,533</u>	<u>131,689,644</u>
<b>EXPENDITURES</b>					
Current:					
General government	16,078,449	-	-	1,192,162	17,270,611
Legislative	344,190	-	-	-	344,190
Judicial	7,888,368	-	-	398,364	8,286,732
Public safety	13,467,031	-	-	1,612,438	15,079,469
Health	-	65,663,160	-	16,051,419	81,714,579
Welfare	-	-	-	7,349,436	7,349,436
Cultural	200,399	-	-	75,365	275,764
Recreation	-	-	-	676,618	676,618
Debt service:					
Principal	-	-	-	1,745,000	1,745,000
Interest and fiscal charges	-	-	-	1,489,738	1,489,738
Capital outlay	-	-	21,355,597	461,771	21,817,368
Total expenditures	<u>37,978,437</u>	<u>65,663,160</u>	<u>21,355,597</u>	<u>31,052,311</u>	<u>156,049,505</u>
Revenues over (under) expenditures	<u>5,766,355</u>	<u>(758,841)</u>	<u>(21,355,597)</u>	<u>(8,011,778)</u>	<u>(24,359,861)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from issuance of bonds	-	-	38,870,000	-	38,870,000
Transfers in	2,888,615	786,937	-	11,698,727	15,374,279
Transfers out	(8,761,181)	-	(4,610,684)	(329,272)	(13,701,137)
Proceeds from sale of capital assets	21,570	-	-	17,850	39,420
Total other financing sources (uses)	<u>(5,850,996)</u>	<u>786,937</u>	<u>34,259,316</u>	<u>11,387,305</u>	<u>40,582,562</u>
Net change in fund balances	<u>(84,641)</u>	<u>28,096</u>	<u>12,903,719</u>	<u>3,375,527</u>	<u>16,222,701</u>
Fund balances, beginning of year	9,789,527	572,263	4,658,234	4,845,095	19,865,119
Fund balances, end of year	<u>\$ 9,704,886</u>	<u>\$ 600,359</u>	<u>\$ 17,561,953</u>	<u>\$ 8,220,622</u>	<u>\$ 36,087,820</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, 2014

Net change in fund balances - total governmental funds \$ 16,222,701

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	21,691,236
Depreciation expense	(2,435,565)
Proceeds on the sale of capital assets	(39,420)
Gain on sale of capital assets	38,442

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.

Issuance of long-term debt	(38,870,000)
Principal payments on long-term liabilities	1,745,000

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	(930,209)
Change in the accrual for compensated absences	(318,957)
Change in net other postemployment benefit obligation	(1,636,400)

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	1,329,795
Interest expense from internal service funds	(483,955)
Gain on sale of capital assets from internal service funds	18,596
Operating loss from governmental activities in internal service funds	(4,439,077)
Capital contributions to internal service funds	338,739
Special item from internal service funds	(3,504,402)

Change in net position of governmental activities \$ (11,273,476)

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, 2014

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>REVENUES</b>				
Taxes	\$ 24,426,460	\$ 25,050,299	\$ 25,082,259	\$ 31,960
Licenses and permits	99,000	79,000	77,925	(1,075)
Grants and contributions:				
Federal	2,631,342	2,498,886	2,377,643	(121,243)
State	4,441,353	4,444,081	4,531,907	87,826
Local	-	485,640	555,916	70,276
Charges for services	9,456,414	9,392,279	9,320,556	(71,723)
Fines and forfeitures	572,300	552,342	526,233	(26,109)
Investment income	189,203	192,921	184,857	(8,064)
Rentals	162,976	175,133	170,179	(4,954)
Other	912,711	934,540	917,317	(17,223)
Total revenues	<u>42,891,759</u>	<u>43,805,121</u>	<u>43,744,792</u>	<u>(60,329)</u>
<b>EXPENDITURES</b>				
Current:				
General government	15,483,374	16,011,976	16,078,449	66,473
Legislative	386,360	364,455	344,190	(20,265)
Judicial	7,880,506	7,788,903	7,888,368	99,465
Public safety	12,681,694	13,445,182	13,467,031	21,849
Cultural	198,660	203,488	200,399	(3,089)
Total expenditures	<u>36,630,594</u>	<u>37,814,004</u>	<u>37,978,437</u>	<u>164,433</u>
Revenues over (under) expenditures	<u>6,261,165</u>	<u>5,991,117</u>	<u>5,766,355</u>	<u>(224,762)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
Delinquent tax funds	2,350,000	2,450,000	2,450,000	-
Other funds	223,252	438,609	438,615	6
Total transfers in	<u>2,573,252</u>	<u>2,888,609</u>	<u>2,888,615</u>	<u>6</u>
Transfers out:				
Child care fund	(4,178,189)	(4,034,850)	(3,909,040)	(125,810)
Public health fund	(1,913,732)	(1,818,732)	(1,770,861)	(47,871)
Other funds	(2,742,496)	(3,026,144)	(3,081,280)	55,136
Total transfers out	<u>(8,834,417)</u>	<u>(8,879,726)</u>	<u>(8,761,181)</u>	<u>(118,545)</u>
Proceeds from sale of capital assets	-	-	21,570	(21,570)
Total other financing sources (uses)	<u>(6,261,165)</u>	<u>(5,991,117)</u>	<u>(5,850,996)</u>	<u>(140,109)</u>
Net change in fund balances	-	-	(84,641)	(84,653)
Fund balances, beginning of year	9,789,527	9,789,527	9,789,527	-
Fund balances, end of year	<u>\$ 9,789,527</u>	<u>\$ 9,789,527</u>	<u>\$ 9,704,886</u>	<u>\$ (84,653)</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, 2014

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>REVENUES</b>				
Grants and contributions:				
Federal	\$ 367,607	\$ 367,607	\$ 361,853	\$ (5,754)
State	5,607,862	5,691,162	5,779,491	88,329
Local	147,800	64,500	219,701	155,201
Charges for services:				
Medicaid fee for service/capitation	54,251,803	54,801,803	53,310,785	(1,491,018)
Other insurance	2,336,700	2,336,700	2,391,598	54,898
Investment income	55,600	55,600	36,226	(19,374)
Reinvestment program	2,302,473	2,302,473	2,302,473	-
Other	531,728	531,728	502,192	(29,536)
Total revenues	<u>65,601,573</u>	<u>66,151,573</u>	<u>64,904,319</u>	<u>(1,247,254)</u>
<b>EXPENDITURES</b>				
Current - Health	<u>66,388,510</u>	<u>66,938,510</u>	<u>65,663,160</u>	<u>(1,275,350)</u>
Revenues under expenditures	(786,937)	(786,937)	(758,841)	28,096
<b>OTHER FINANCING SOURCES</b>				
Transfers in - General Fund	<u>786,937</u>	<u>786,937</u>	<u>786,937</u>	<u>-</u>
Net change in fund balances	-	-	28,096	28,096
Fund balances, beginning of year	572,263	572,263	572,263	-
Fund balances, end of year	<u>\$ 572,263</u>	<u>\$ 572,263</u>	<u>\$ 600,359</u>	<u>\$ 28,096</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, 2014

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 455,254	\$ 1,432,297	\$ 4,085,588
Receivables, net:			
Accounts	-	43,853	965,874
Due from other governments	-	59,663	151,300
Accrued interest	1,260	2,949	10,997
Taxes	-	-	-
Notes	-	-	5,353
Leases	1,586,631	-	-
Special assessments	-	-	141,624
Prepays	-	38,704	-
Inventories	-	-	-
Total current assets	<u>2,043,145</u>	<u>1,577,466</u>	<u>5,360,736</u>
Noncurrent assets:			
Advances to component units	-	-	-
Advances to other funds	-	-	-
Deposits held with others	-	-	-
Restricted assets	-	-	-
Notes receivable	-	-	42,099
Leases receivable	25,505,000	-	-
Special assessments receivable	-	-	955,811
Capital assets not being depreciated	-	11,766,777	9,000
Capital assets being depreciated, net	-	16,964,726	16,414,741
Total noncurrent assets	<u>25,505,000</u>	<u>28,731,503</u>	<u>17,421,651</u>
Total assets	<u>27,548,145</u>	<u>30,308,969</u>	<u>22,782,387</u>

Business-type Activities - Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 15,020,488	\$ 588,147	\$ 21,305,876	\$ 42,887,650	\$ 7,885,899
440,451	1,121,975	425,988	2,998,141	224,204
1,256,581	-	1,045,646	2,513,190	3,748
33,780	174	51,641	100,801	17,350
-	-	13,099,213	13,099,213	-
166,478	-	-	171,831	-
-	-	-	1,586,631	-
-	-	-	141,624	-
-	-	28,000	66,704	249,514
64,406	95,097	11,469	170,972	-
<u>16,982,184</u>	<u>1,805,393</u>	<u>35,967,833</u>	<u>63,736,757</u>	<u>8,380,715</u>
-	-	225,000	225,000	-
-	-	86,973	86,973	750,584
-	-	-	-	395,407
-	-	2,088,248	2,088,248	-
1,210,621	-	-	1,252,720	200,000
-	-	-	25,505,000	-
-	-	-	955,811	-
7,514,858	-	1,436,331	20,726,966	1,907,964
<u>103,522,650</u>	<u>1,009,036</u>	<u>12,365,227</u>	<u>150,276,380</u>	<u>17,697,203</u>
<u>112,248,129</u>	<u>1,009,036</u>	<u>16,201,779</u>	<u>201,117,098</u>	<u>20,951,158</u>
<u>129,230,313</u>	<u>2,814,429</u>	<u>52,169,612</u>	<u>264,853,855</u>	<u>29,331,873</u>

continued...

# COUNTY OF MUSKEGON, MICHIGAN

## Statement of Net Position

Proprietary Funds

September 30, 2014

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
<b>LIABILITIES</b>			
Current liabilities:			
Negative equity in pooled cash	\$ -	\$ -	\$ -
Accounts payable	300	107,695	109,536
Accrued liabilities	-	18,839	6,523
Due to other governments	-	44,714	378,640
Accrued interest	484,099	-	264,520
Unearned revenue	-	11,637	-
Current portion of accrued closure cost and sludge removal	-	-	-
Current portion of compensated absences	-	13,216	2,886
Current portion of long-term debt	1,195,000	-	530,000
Total current liabilities	<u>1,679,399</u>	<u>196,101</u>	<u>1,292,105</u>
Noncurrent liabilities, net of current portion:			
Advances from other funds	-	750,584	-
Accrued closure cost and sludge removal	-	-	-
Compensated absences	-	93,186	20,349
Long-term debt	25,505,000	-	13,660,000
Total noncurrent liabilities	<u>25,505,000</u>	<u>843,770</u>	<u>13,680,349</u>
Total liabilities	<u>27,184,399</u>	<u>1,039,871</u>	<u>14,972,454</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	28,731,503	2,233,741
Unrestricted	363,746	537,595	5,576,192
Total net position	<u>\$ 363,746</u>	<u>\$ 29,269,098</u>	<u>\$ 7,809,933</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
\$ -	\$ -	\$ 2,081,001	\$ 2,081,001	\$ -
798,235	569,933	428,753	2,014,452	1,084,126
123,820	213,005	130,568	492,755	3,378,140
-	97,284	-	520,638	1,842,585
626,153	-	22,323	1,397,095	190,761
-	-	400	12,037	17,377
325,000	-	184,597	509,597	-
82,089	28,430	47,114	173,735	5,706
3,957,395	-	12,008,146	17,690,541	1,035,255
<u>5,912,692</u>	<u>908,652</u>	<u>14,902,902</u>	<u>24,891,851</u>	<u>7,553,950</u>
-	1,704,878	-	2,455,462	2,154,091
1,842,543	-	11,524,794	13,367,337	-
578,791	200,456	332,185	1,224,967	40,236
56,234,711	-	4,000,000	99,399,711	12,689,344
<u>58,656,045</u>	<u>1,905,334</u>	<u>15,856,979</u>	<u>116,447,477</u>	<u>14,883,671</u>
<u>64,568,737</u>	<u>2,813,986</u>	<u>30,759,881</u>	<u>141,339,328</u>	<u>22,437,621</u>
50,845,402	1,009,036	13,801,558	96,621,240	5,880,568
13,816,174	(1,008,593)	7,608,173	26,893,287	1,013,684
<u>\$ 64,661,576</u>	<u>\$ 443</u>	<u>\$ 21,409,731</u>	<u>\$ 123,514,527</u>	<u>\$ 6,894,252</u>

concluded

# COUNTY OF MUSKEGON, MICHIGAN

## Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
Operating revenues:			
Charges for services	\$ 455,855	\$ 938,942	\$ 3,161,186
Farm sales	-	-	-
Interest and penalties	-	-	-
Premiums	-	-	-
Rentals	-	86,390	-
Lease interest revenue	1,184,520	-	-
Other revenues	4,134	35,140	1,874
Total operating revenues	<u>1,644,509</u>	<u>1,060,472</u>	<u>3,163,060</u>
Operating expenses:			
Salaries and fringes	357	689,511	197,706
Supplies and other operating expenses	108,366	940,691	1,865,771
Insurance benefits and claims	-	-	-
Insurance premiums	-	-	-
Depreciation	-	1,277,396	434,851
Total operating expenses	<u>108,723</u>	<u>2,907,598</u>	<u>2,498,328</u>
Operating income (loss)	<u>1,535,786</u>	<u>(1,847,126)</u>	<u>664,732</u>
Nonoperating revenues (expenses):			
Grants and contributions:			
Federal	-	-	-
State	-	18,206	-
Local	-	-	-
Interest income	4,009	10,666	100,979
Interest expense	(1,176,049)	-	(636,453)
Gain (loss) on sale of capital assets	-	33,811	-
Total nonoperating revenues (expenses)	<u>(1,172,040)</u>	<u>62,683</u>	<u>(535,474)</u>
Income (loss) before capital contributions, transfers and special item	363,746	(1,784,443)	129,258
Capital contributions - federal	-	957,654	-
Capital contributions - state	-	71,159	-
Transfers in	-	559,474	-
Transfers out	-	-	-
Special item (Note 19)	-	-	-
Change in net position	<u>363,746</u>	<u>(196,156)</u>	<u>129,258</u>
Net position, beginning of year	-	29,465,254	7,680,675
Net position, end of year	<u>\$ 363,746</u>	<u>\$ 29,269,098</u>	<u>\$ 7,809,933</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
\$ 15,712,545	\$ 12,428,295	\$ 4,088,143	\$ 36,784,966	\$ -
2,284,277	-	-	2,284,277	-
-	-	2,445,686	2,445,686	-
-	-	-	-	16,324,225
-	9,939	11,623	107,952	1,583,083
-	-	-	1,184,520	-
94,349	7,385	18,302	161,184	3,796,048
<u>18,091,171</u>	<u>12,445,619</u>	<u>6,563,754</u>	<u>42,968,585</u>	<u>21,703,356</u>
3,724,013	7,667,323	4,025,485	16,304,395	1,214,400
4,776,993	5,311,812	3,112,429	16,116,062	1,725,972
-	-	-	-	894,214
-	-	-	-	20,500,495
6,320,030	133,663	1,326,865	9,492,805	1,807,352
<u>14,821,036</u>	<u>13,112,798</u>	<u>8,464,779</u>	<u>41,913,262</u>	<u>26,142,433</u>
<u>3,270,135</u>	<u>(667,179)</u>	<u>(1,901,025)</u>	<u>1,055,323</u>	<u>(4,439,077)</u>
2,390	-	188,835	191,225	-
53,349	-	1,285,676	1,357,231	-
-	-	137,792	137,792	-
131,855	321	167,802	415,632	1,329,795
(1,439,695)	-	(49,157)	(3,301,354)	(483,955)
(1,119,210)	-	103,493	(981,906)	18,596
<u>(2,371,311)</u>	<u>321</u>	<u>1,834,441</u>	<u>(2,181,380)</u>	<u>864,436</u>
898,824	(666,858)	(66,584)	(1,126,057)	(3,574,641)
-	-	3,591,085	4,548,739	338,739
-	-	2,571	73,730	-
-	665,348	49,500	1,274,322	-
-	-	(2,947,464)	(2,947,464)	-
-	-	-	-	(3,504,402)
<u>898,824</u>	<u>(1,510)</u>	<u>629,108</u>	<u>1,823,270</u>	<u>(6,740,304)</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>
<u>\$ 64,661,576</u>	<u>\$ 443</u>	<u>\$ 21,409,731</u>	<u>\$ 123,514,527</u>	<u>\$ 6,894,252</u>

concluded

# COUNTY OF MUSKEGON, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds		
	Local Government Public Works Financing (5650)	Airport (5810)	Regional Water (5910)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 2,748,488	\$ 1,059,268	\$ 3,100,865
Payments to vendors	(377,326)	(921,599)	(1,953,726)
Payments for personnel services	(357)	(681,786)	(196,502)
Delinquent taxes purchased	-	-	-
Net cash provided by (used in) operating activities	<u>2,370,805</u>	<u>(544,117)</u>	<u>950,637</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental receipts	-	559,474	-
Intergovernmental payments	-	-	-
Federal and/or state grants	-	14,758	-
Special item (Note 19)	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>574,232</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from issuance of long-term debt	-	-	-
Premium on issuance of long-term debt	-	-	-
Principal paid on long-term debt	(1,145,000)	-	(510,000)
Interest paid on long-term debt	(1,193,982)	-	(644,475)
Capital contributions received	-	-	-
Proceeds of borrowing from cash pool, net	-	-	-
Proceeds from sale of capital assets	-	47,289	-
Purchase of capital assets	-	(26,344)	(90,664)
Net cash provided by (used in) capital and related financing activities	<u>(2,338,982)</u>	<u>20,945</u>	<u>(1,245,139)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>4,009</u>	<u>10,666</u>	<u>100,979</u>
Net increase (decrease) in cash and investments	35,832	61,726	(193,523)
Cash and investments, beginning of year	419,422	1,370,571	4,279,111
Cash and investments, end of year	<u>\$ 455,254</u>	<u>\$ 1,432,297</u>	<u>\$ 4,085,588</u>

Business-type Activities - Enterprise Funds				Governmental Activities
Wastewater (5920)	Brookhaven Medical Care Facility (5120)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 18,870,497	\$ 12,607,829	\$ 21,964,826	\$ 60,351,773	\$ 23,383,534
(3,676,496)	(5,080,571)	(2,531,954)	(14,541,672)	(23,513,214)
(3,716,477)	(7,926,392)	(3,956,408)	(16,477,922)	(1,189,545)
-	-	(13,064,680)	(13,064,680)	-
<u>11,477,524</u>	<u>(399,134)</u>	<u>2,411,784</u>	<u>16,267,499</u>	<u>(1,319,225)</u>
-	549,181	58,653	1,167,308	-
-	-	(2,923,430)	(2,923,430)	-
55,739	-	1,407,694	1,478,191	-
-	-	-	-	(3,504,402)
<u>55,739</u>	<u>549,181</u>	<u>(1,457,083)</u>	<u>(277,931)</u>	<u>(3,504,402)</u>
-	-	12,000,000	12,000,000	5,915,000
-	-	7,160	7,160	207,392
(3,880,000)	-	(12,000,000)	(17,535,000)	(938,928)
(1,509,388)	-	(69,306)	(3,417,151)	(491,855)
-	-	3,593,656	3,593,656	338,739
-	-	-	-	(2,942,033)
254,358	30,112	179,300	511,059	461,554
(935,191)	(35,720)	(2,215,399)	(3,303,318)	(2,072,529)
<u>(6,070,221)</u>	<u>(5,608)</u>	<u>1,495,411</u>	<u>(8,143,594)</u>	<u>477,340</u>
<u>131,855</u>	<u>321</u>	<u>167,802</u>	<u>415,632</u>	<u>1,329,795</u>
5,594,897	144,760	2,617,914	8,261,606	(3,016,492)
9,425,591	443,387	18,687,962	34,626,044	10,902,391
<u>\$ 15,020,488</u>	<u>\$ 588,147</u>	<u>\$ 21,305,876</u>	<u>\$ 42,887,650</u>	<u>\$ 7,885,899</u>

continued...

# COUNTY OF MUSKEGON, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2014

	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 by (used in) by operating activities:			
Operating income (loss)	\$ 1,535,786	\$ (1,847,126)	\$ 664,732
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	1,277,396	434,851
Changes in assets and liabilities:			
Accounts receivable	3,442	22,764	(37,116)
Due from other governments	-	-	(151,300)
Accrued interest receivable	(330)	(723)	2,481
Taxes receivable	-	-	-
Leases receivable	1,100,867	-	-
Special assessments receivable	-	-	113,926
Notes receivable	-	-	9,814
Prepays	-	(38,704)	-
Inventories	-	-	-
Deposits held with others	-	-	-
Restricted assets	-	-	-
Negative equity in pooled cash	-	-	-
Accounts payable	300	57,796	(29,080)
Accrued liabilities	-	1,499	1,348
Due to other governments	(269,260)	-	(58,875)
Unearned revenue	-	(23,245)	-
Accrued closure cost and sludge removal	-	-	-
Accrued compensated absences	-	6,226	(144)
Net cash provided by (used in) operating activities	<u>\$ 2,370,805</u>	<u>\$ (544,117)</u>	<u>\$ 950,637</u>

### Noncash transactions

The Airport fund received noncash capital contributions of \$1,028,613 for the year ended September 30, 2014.

The Equipment Revolving fund financed the acquisition of capital asset with noncash capital leases of \$517,523 for the year ended September 30, 2014.

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
\$ 3,270,135	\$ (667,179)	\$ (1,901,025)	\$ 1,055,323	\$ (4,439,077)
6,320,030	133,663	1,326,865	9,492,805	1,807,352
(70,230)	136,785	(177,026)	(121,381)	18,671
678,358	25,599	(11,761)	540,896	(3,748)
(10,937)	(174)	7,220	(2,463)	3,104
-	-	1,644,203	1,644,203	-
-	-	-	1,100,867	-
-	-	-	113,926	-
182,135	-	-	191,949	-
-	-	(28,000)	(66,704)	(10,169)
30,593	27,373	(1,958)	56,008	-
-	-	-	-	7,230
-	-	(82,129)	(82,129)	-
-	-	908,414	908,414	-
669,979	203,868	322,808	1,225,671	(392,946)
16,440	(19,316)	29,806	29,777	44,352
-	-	-	(328,135)	1,655,977
-	-	(125)	(23,370)	(6,955)
399,925	-	335,403	735,328	-
(8,904)	(239,753)	39,089	(203,486)	(3,016)
<u>\$ 11,477,524</u>	<u>\$ (399,134)</u>	<u>\$ 2,411,784</u>	<u>\$ 16,267,499</u>	<u>\$ (1,319,225)</u>

concluded

# COUNTY OF MUSKEGON, MICHIGAN

## Statement of Fiduciary Net Position

Fiduciary Funds  
September 30, 2014

	Agency Funds	Private-Purpose Trust Fund	Other Post- employment Benefits Trust
		Epic Heir Trust (7650)	(7360)
<b>ASSETS</b>			
Cash and investments	\$ 8,128,907	\$ 62,533	\$ 438,838
Funds on deposit with MERS	-	-	48,958,231
Receivables - accrued interest	693	177	-
Total assets	<u>\$ 8,129,600</u>	<u>62,710</u>	<u>49,397,069</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 12,581	-	130,083
Due to other governments	443,023	-	-
Undistributed current and delinquent taxes	6,623,540	-	-
Trust deposits	441,442	-	-
Accrued liabilities	447	-	-
Unallocated receipts	608,567	-	-
Total liabilities	<u>\$ 8,129,600</u>	<u>-</u>	<u>130,083</u>
<b>NET POSITION RESTRICTED FOR:</b>			
Epic children		62,710	-
Other postemployment benefits		-	49,266,986
Total net position		<u>\$ 62,710</u>	<u>\$ 49,266,986</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, 2014

	Private-Purpose Trust Fund	Other Post- employment
	Epic Heir Trust (7650)	Benefits Trust (7360)
<b>ADDITIONS</b>		
Employer contributions	\$ -	\$ 3,818,242
Retiree contributions	-	470,244
Investment earnings	585	4,611,337
Total additions	<u>585</u>	<u>8,899,823</u>
<b>DEDUCTIONS</b>		
Benefit payments	-	4,497,912
Administrative expenses	-	241,944
Total deductions	<u>-</u>	<u>4,739,856</u>
Change in net position	585	4,159,967
Net position, beginning of year	62,125	45,107,019
Net position, end of year	<u>\$ 62,710</u>	<u>\$ 49,266,986</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, 2014

	Road Commission	Drainage Districts	Muskegon County Land Bank	Total
<b>ASSETS</b>				
Cash and investments	\$ 4,690,543	\$ 428,826	\$ 300,535	\$ 5,419,904
Receivables:				
Accounts	-	-	905,770	905,770
Assessments	-	392,472	-	392,472
Due from other governments	4,125,478	-	-	4,125,478
Accrued interest	-	759	729	1,488
Property taxes	-	-	3,667	3,667
Other	193,741	-	-	193,741
Prepays and other assets	942,639	-	-	942,639
Inventories	1,747,780	-	-	1,747,780
Assets held for resale	-	-	121,379	121,379
Capital assets not being depreciated	25,324,757	-	-	25,324,757
Capital assets being depreciated, net	42,256,689	3,238,626	-	45,495,315
Total assets	<u>79,281,627</u>	<u>4,060,683</u>	<u>1,332,080</u>	<u>84,674,390</u>
<b>LIABILITIES</b>				
Accounts payable	433,837	4,100	12	437,949
Accrued liabilities	2,945,470	-	24,719	2,970,189
Advances from primary government	-	21,500	225,000	246,500
Unearned revenue	322,359	-	-	322,359
Long-term liabilities:				
Due within one year	237,000	-	-	237,000
Due in more than one year	140,281	410,000	-	550,281
Total liabilities	<u>4,078,947</u>	<u>435,600</u>	<u>249,731</u>	<u>4,764,278</u>
<b>NET POSITION</b>				
Net investment in capital assets	67,581,446	2,828,626	-	70,410,072
Unrestricted	7,621,234	796,457	1,082,349	9,500,040
Total net position	<u>\$ 75,202,680</u>	<u>\$ 3,625,083</u>	<u>\$ 1,082,349</u>	<u>\$ 79,910,112</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, 2014

	Road Commission	Drainage Districts	Muskegon County Land Bank	Total
<b>EXPENSES</b>				
Road Commission	\$ 14,977,941	\$ -	\$ -	\$ 14,977,941
Drainage Districts	-	399,552	-	399,552
Muskegon County Land Bank	-	-	245,070	245,070
Total expenses	<u>14,977,941</u>	<u>399,552</u>	<u>245,070</u>	<u>15,622,563</u>
<b>REVENUES</b>				
Program revenues:				
Charges for services	3,170,327	257,059	259,185	3,686,571
Operating grants and contributions	9,413,473	-	-	9,413,473
Capital grants and contributions	5,730,142	-	-	5,730,142
General revenues:				
Unrestricted investment earnings	7,797	1,863	59,034	68,694
Other revenue	110,639	-	44,820	155,459
Total revenues	<u>18,432,378</u>	<u>258,922</u>	<u>363,039</u>	<u>19,054,339</u>
Change in net position	3,454,437	(140,630)	117,969	3,431,776
Net position, beginning of year	71,748,243	3,765,713	964,380	76,478,336
Net position, end of year	<u>\$ 75,202,680</u>	<u>\$ 3,625,083</u>	<u>\$ 1,082,349</u>	<u>\$ 79,910,112</u>

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

This page intentionally left blank.

## 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 (9 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 services 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 demonstrates 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 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 *Capital Projects Jail / JTC Building Fund* accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for Jail construction.

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.

*Muskegon County 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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

*Internal Service Funds* account for printing, building maintenance, automotive repair, building and equipment purchases, energy improvements, and insurance and risk management on a cost reimbursement basis.

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

The *Private Purpose Trust fund* accounts for the perpetual care of specific individuals as ordered by the Court. These funds are legally held in trust for use only by the specified activities as described. The accounting for trust funds is like that used for proprietary funds (full accrual).

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are revenues in excess of expenses for tax collection. Elimination of the revenues would distort the activity of the functions and would not reflect the proper future uses of the excesses collected for their specific governmental purposes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted net position represents 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.

**Assets, deferred outflows of resources, liabilities, resources, and equity**

### *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).

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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

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

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

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

Bankers' acceptances of United States banks.

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

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

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

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

### *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (the current portion of interfund loans) or "advances to/from other funds" (the 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".

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### *Restricted Assets*

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

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

### *Other Assets*

Inventories, which consist of replacement parts, office supplies, drugs and medical supplies, are stated at cost using the first in, first out (FIFO) method in governmental funds, and at the lower of average cost or market in proprietary funds. Inventories are accounted for by the consumption method.

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

### *Capital Assets*

Property and equipment are stated at cost. Expenditures which materially extend the useful life of existing properties are capitalized. All costs relating to the construction of facilities are capitalized, including salaries, employee benefits, and bond interest costs during the construction period. Capital assets are defined as assets with an estimated useful life of more than one year and with a unit cost of \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued and recorded at estimated fair market value at the date of donation. Capital assets are reported in the respective governmental or business-type activities columns in the government-wide financial statements.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest costs incurred 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:

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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

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

### *Deferred 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 permitted to accumulate earned but unused vacation and sick pay benefits in varying amounts based on length of service and certain other established criteria. A liability for these amounts is accrued and reported in the government-wide and proprietary funds statements. Vacation and sick leave payoffs upon termination of employment are allocated as general administrative expense across all activities of the County's primary government and participating component units.

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

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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

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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### *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 and includes all amounts not contained in the other classifications. Other governmental funds besides the general fund can only report a negative unassigned fund balance, which would occur if expenditures were to be incurred for specific purposes that exceeded the amounts restricted, committed or assigned in the 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, 2014, the balance in the stabilization arrangement was \$2,300,000, which is reported in the General Fund within unassigned fund balance.

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

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

### *Interfund Transactions*

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

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### *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.
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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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 fund's 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.

## 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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

During the year ended September 30, 2014, 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:			
Administration	\$ 717,488	\$ 752,949	\$ 35,461
Residential Energy Efficiency Program	443,209	522,400	79,191
Accounting	780,427	783,506	3,079
Corporate Counsel	155,000	198,645	43,645
Human Resources	240,335	242,997	2,662
Prosecutor	1,957,863	1,973,412	15,549
Kenneth L. Brinks Building	-	4,163	4,163
Veterans Center	13,778	15,146	1,368
Cordova Site O&M	1,350	1,826	476
Courthouse and Grounds	1,005,095	1,005,127	32
County Jail Building	384,874	390,596	5,722
Information Systems	1,090,863	1,096,810	5,947
Prosecutor Family Court	221,817	222,135	318
Misc Contingency	647,973	690,885	42,912
Judicial:			
Probation Cobo Hall Tax	176,364	177,289	925
District Court Collections	189,632	190,640	1,008
Law Library	18,615	19,732	1,117
Jury Commission	34,050	43,484	9,434
Juvenile Court	594,943	656,993	62,050
Public Defender	1,331,057	1,447,459	116,402
Public safety:			
Designated & Pass-thru Revenues	1,225,427	1,266,270	40,843
Sheriff Operations	3,795,852	3,802,897	7,045
Sheriff Jail	6,178,871	6,191,686	12,815
Courtroom Security	1,171,879	1,177,556	5,677
Nonmajor governmental funds:			
Emergency Services	243,643	448,245	204,602
Port Security	280,794	342,595	61,801
Highway Safety Programs	294,598	296,935	2,337
Health Department	7,254,625	7,353,255	98,630
United Way Summer Youth	51,450	51,463	13
Crime Victims' Rights	225,781	226,133	352
Michigan Area Stormwater Committee	45,000	63,069	18,069
Veteran's Care	314,368	334,729	20,361
Veteran's Trust	40,440	41,026	586

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 3. DEFICIT FUND EQUITY

At September 30, 2014, the Brookhaven Medical Care Facility enterprise fund and the Equipment Revolving internal service fund reported deficit unrestricted net position balances of \$1,008,593 and \$1,013,544, respectively, although total net position of the funds were \$443 and \$5,376,278, 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 increased from the prior year by \$126,545 and \$4,353,949, respectively.

### 4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of September 30, 2014:

	Primary Government	Component Units	Totals
<b>Statement of Net Position</b>			
Cash and investments	\$ 73,698,239	\$ 5,419,904	\$ 79,118,143
Restricted assets	2,088,248	-	2,088,248
	<u>75,786,487</u>	<u>5,419,904</u>	<u>81,206,391</u>
<b>Statement of Fiduciary Net Position</b>			
Agency funds:			
Cash and investments	8,128,907	-	8,128,907
Private purpose trust fund:			
Cash and investments	62,533	-	62,533
Other postemployment benefit trust fund:			
Cash and investments	438,838	-	438,838
Funds on deposit with MERS	48,958,231	-	48,958,231
	<u>57,588,509</u>	<u>-</u>	<u>57,588,509</u>
<b>Total</b>	<b>\$ 133,374,996</b>	<b>\$ 5,419,904</b>	<b>\$ 138,794,900</b>
<b>Deposits and investments</b>			
Bank deposits:			
Checking and savings accounts			\$ 61,693,591
Certificates of deposits, due within one year			3,520,000
Total bank deposits			<u>65,213,591</u>
Investments:			
Funds on deposit with MERS			48,958,231
Money market accounts			2,088,248
Municipal securities			7,367,860
Government securities			14,471,385
Non-cash commodity			599,935
Total investments			<u>73,485,659</u>
Cash on hand			<u>95,650</u>
<b>Total</b>			<b>\$ 138,794,900</b>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

*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, \$65,070,739 of the County's bank balance of \$66,150,877 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, 2014, 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 anticipated 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.

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

Moody AAA, S&P AA+	\$ 14,471,385
Moody AA2, S&P AA	548,742
Moody AA2, S&P AA-	3,100,920
Moody AAA, S&P not rated	2,812,710
Moody A1, S&P not rated	905,488
Unrated	<u>51,646,414</u>
<b>Total</b>	<b><u>\$ 73,485,659</u></b>

*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	\$ 6,554,930
Due in 6-10 years	6,815,445
Due in 11-15 years	5,656,160
Due in 16-20 years	2,812,710
No maturity	<u>51,646,414</u>
<b>Total</b>	<b><u>\$ 73,485,659</u></b>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

### 5. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 1,710,841	\$ 3,348,527	\$ 905,770
Less: allowance for uncollectibles	(48,170)	(350,386)	-
Due from other governments	10,357,230	2,513,190	4,125,478
Accrued interest	61,690	100,801	1,488
Taxes (current)	7,186,928	-	3,667
Taxes (delinquent)	-	13,099,213	-
Long-term notes	1,120,000	1,424,551	-
Leases	-	27,091,631	-
Special assessments	-	1,097,435	392,472
Other	-	-	193,741
	<u>\$ 20,388,519</u>	<u>\$ 48,324,962</u>	<u>\$ 5,622,616</u>

Of the amounts reported for receivables above, long-term notes receivables in the amount of \$2,347,720, special assessments receivable in the amount of \$1,247,012, leases receivable in the amount of \$25,505,000, and accounts receivable of \$528,727 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.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the Drainage Districts component unit showed unavailable revenue of \$291,201 related to special assessments receivables.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 6. PAYABLES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 10,479,127	\$ 2,014,452	\$ 437,949
Due to other governments	3,936,457	520,638	-
	<u>\$ 14,415,584</u>	<u>\$ 2,535,090</u>	<u>\$ 437,949</u>

### 7. OTHER ASSETS

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

	Governmental Activities	Business-type Activities	Component Units
Prepays	\$ 405,260	\$ 66,704	\$ 942,639
Inventory	16,617	170,972	1,747,780
Deposits held with others	395,407	-	-
Assets held for resale	-	-	121,379
	<u>\$ 817,284</u>	<u>\$ 237,676</u>	<u>\$ 2,811,798</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, 2014, was as follows:

Advances to and from primary government funds

	Advances to Other Funds	Advances from Other Funds
General fund	\$ 3,771,996	\$ -
Airport	-	750,584
Brookhaven Medical Care Facility	-	1,704,878
Nonmajor enterprise funds	86,973	-
Internal service funds	750,584	2,154,091
	<u>\$ 4,609,553</u>	<u>\$ 4,609,553</u>

Advances to and from component units

	Advances to Component Units	Advances from Primary Government
General fund	\$ 21,500	\$ -
Nonmajor enterprise funds	225,000	-
Muskegon County Land Bank	-	225,000
Drainage Districts	-	21,500
	<u>\$ 246,500</u>	<u>\$ 246,500</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, 2014, 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	\$ -	\$ 786,937	\$ 6,749,422	\$ 559,474	\$ 665,348	\$ -	\$ 8,761,181
Capital Projects Jail / JTC Building	-	-	4,610,684	-	-	-	4,610,684
Nonmajor governmental funds	149,757	-	130,015	-	-	49,500	329,272
Nonmajor enterprise funds	2,738,858	-	208,606	-	-	-	2,947,464
	<u>\$2,888,615</u>	<u>\$ 786,937</u>	<u>\$ 11,698,727</u>	<u>\$ 559,474</u>	<u>\$ 665,348</u>	<u>\$ 49,500</u>	<u>\$ 16,648,601</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, 2014 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Government Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 4,421,292	\$ 74,982	\$ -	\$ -	\$ 4,496,274
Construction-in-progress	2,214,860	22,402,251	(17,037)	(560,491)	24,039,583
	<u>6,636,152</u>	<u>22,477,233</u>	<u>(17,037)</u>	<u>(560,491)</u>	<u>28,535,857</u>
Capital assets being depreciated:					
Land improvements	5,773,983	-	-	-	5,773,983
Buildings and improvements	80,526,160	627,438	(461,968)	314,326	81,005,956
Machinery and equipment	24,954,088	1,176,617	(695,158)	246,165	25,681,712
	<u>111,254,231</u>	<u>1,804,055</u>	<u>(1,157,126)</u>	<u>560,491</u>	<u>112,461,651</u>
Less accumulated depreciation for:					
Land improvements	(2,981,803)	(217,376)	-	-	(3,199,179)
Building and improvements	(27,803,185)	(2,385,625)	35,069	-	(30,153,741)
Machinery and equipment	(11,884,884)	(1,639,916)	695,158	-	(12,829,642)
	<u>(42,669,872)</u>	<u>(4,242,917)</u>	<u>730,227</u>	<u>-</u>	<u>(46,182,562)</u>
Total capital assets being depreciated, net	<u>68,584,359</u>	<u>(2,438,862)</u>	<u>(426,899)</u>	<u>560,491</u>	<u>66,279,089</u>
Governmental activities- capital assets, net	<u>\$ 75,220,511</u>	<u>\$ 20,038,371</u>	<u>\$ (443,936)</u>	<u>\$ -</u>	<u>\$ 94,814,946</u>

Of the amount reported in capital assets, \$517,523 of machinery and equipment was purchased through capital lease purchase agreements. There was no depreciation or related accumulated depreciation on these capital lease assets during the current year.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 19,854,578	\$ 155,266	\$ -	\$ -	\$ 20,009,844
Construction-in-progress	11,847	705,275	-	-	717,122
	<u>19,866,425</u>	<u>860,541</u>	<u>-</u>	<u>-</u>	<u>20,726,966</u>
Capital assets being depreciated:					
Land improvements	31,681,202	-	(2,943,756)	-	28,737,446
Buildings and improvements	30,075,192	385,528	(37,880)	-	30,422,840
Machinery and equipment	32,889,697	3,086,062	(1,198,362)	-	34,777,397
Lagoons	9,495,716	-	-	-	9,495,716
W/W collection and distribution	165,744,367	-	(86,875)	-	165,657,492
Capitalized interest and engineering	9,035,454	-	-	-	9,035,454
	<u>278,921,628</u>	<u>3,471,590</u>	<u>(4,266,873)</u>	<u>-</u>	<u>278,126,345</u>
Less accumulated depreciation for:					
Land improvements	(16,762,967)	(875,340)	1,593,739	-	(16,044,568)
Building and improvements	(18,175,296)	(896,273)	37,880	-	(19,033,689)
Machinery and equipment	(15,343,419)	(2,005,016)	1,065,414	-	(16,283,021)
Lagoons	(3,814,399)	(98,460)	-	-	(3,912,859)
W/W collection and distribution	(60,792,304)	(5,312,140)	76,875	-	(66,027,569)
Capitalized interest and engineering	(6,242,683)	(305,576)	-	-	(6,548,259)
	<u>(121,131,068)</u>	<u>(9,492,805)</u>	<u>2,773,908</u>	<u>-</u>	<u>(127,849,965)</u>
Total capital assets being depreciated, net	<u>157,790,560</u>	<u>(6,021,215)</u>	<u>(1,492,965)</u>	<u>-</u>	<u>150,276,380</u>
Business-type activities capital assets, net	<u>\$ 177,656,985</u>	<u>\$ (5,160,674)</u>	<u>\$ (1,492,965)</u>	<u>\$ -</u>	<u>\$ 171,003,346</u>

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

### Depreciation of governmental activities by function

General government	\$ 1,476,209
Judicial	3,366
Public safety	424,041
Health	273,764
Welfare	3,714
Recreation	254,471
Internal service fund	<u>1,807,352</u>
Total depreciation expense - governmental activities	<u>\$ 4,242,917</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### Depreciation of business-type activities by function

Airport	\$ 1,277,396
Regional water	434,851
Wastewater	6,320,030
Brookhaven Medical Care Facility	133,663
Other enterprise funds	<u>1,326,865</u>
 Total depreciation expense - business-type activities	 <u><u>\$ 9,492,805</u></u>

### Discretely presented component units

Capital assets activity for the Drainage Districts component unit for the year ended September 30, 2014 was as follows:

	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>(787,321)</u>	<u>(82,162)</u>	<u>-</u>	<u>-</u>	<u>(869,483)</u>
Drainage Districts capital assets, net	<u><u>\$ 3,320,788</u></u>	<u><u>\$ (82,162)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,238,626</u></u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 10. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended September 30, 2014:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 20,060,000	\$ 44,785,000	\$ (1,920,000)	\$ 62,925,000	\$ 1,980,000
Land contract note payable	45,000	-	(25,000)	20,000	20,000
Installment purchase agreement	1,368,612	-	(677,900)	690,712	690,712
Capital leases	-	517,523	(61,028)	456,495	131,581
Total installment debt	21,473,612	45,302,523	(2,683,928)	64,092,207	2,822,293
Premium on bonds payable	-	207,392	-	207,392	12,962
Compensated absences	6,775,622	3,229,458	(2,913,517)	7,091,563	880,849
<b>Total governmental activities</b>	<b>\$ 28,249,234</b>	<b>\$ 48,739,373</b>	<b>\$ (5,597,445)</b>	<b>\$ 71,391,162</b>	<b>\$ 3,716,104</b>
<b>Business-type activities</b>					
General obligation bonds	\$ 27,845,000	\$ -	\$ (1,145,000)	\$ 26,700,000	\$ 1,195,000
Revenue bonds	78,383,365	-	(4,390,000)	73,993,365	4,455,000
Notes payable	16,000,000	12,000,000	(12,000,000)	16,000,000	12,000,000
Total installment debt	122,228,365	12,000,000	(17,535,000)	116,693,365	17,650,000
Premium on bonds payable	438,033	7,160	(48,306)	396,887	40,541
Closure and sludge cost	13,141,606	799,458	(64,130)	13,876,934	509,597
Compensated absences	1,602,188	485,455	(688,941)	1,398,702	173,735
<b>Total business-type activities</b>	<b>\$ 137,410,192</b>	<b>\$ 13,292,073</b>	<b>\$ (18,336,377)</b>	<b>\$ 132,365,888</b>	<b>\$ 18,373,873</b>
<b>Drainage District Component Unit</b>					
Notes payable	\$ -	\$ 410,000	\$ -	\$ 410,000	\$ -

#### 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.

\$ 2,400,000

\$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.

5,500,000

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### Governmental Activities (Continued)

#### General obligation bonds (continued)

\$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. \$ 3,785,000

\$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. 6,455,000

\$38,870,000 2013 General Obligation Limited Tax Bonds, Jail and Juvenile Transition Center, due in annual installments of \$1,005,000 to \$5,025,000 plus interest at 4.75%, payable semi-annually, through October 1, 2032. 38,870,000

\$5,915,000 2014 Capital Improvement Bonds, due in annual installments of \$315,000 to \$510,000 plus interest ranging from 3.45% to 4.00%, payable semi-annually, through November 1, 2029. 5,915,000

#### 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. 20,000

#### 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. 690,712

#### Capital leases

\$517,525 various capital leases, due in various monthly installments plus interest maturing at various dates through July 28, 2019. 456,495

Total governmental activities \$ 64,092,207

### 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. \$ 2,810,000

\$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. 4,740,000

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### Business-type Activities (Continued)

#### General obligation bonds (continued)

\$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.	\$ 18,515,000
\$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.	635,000
<b>Revenue bonds</b>	
\$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.	6,915,000
\$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.	7,275,000
\$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.	9,720,000
\$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.	11,926,560
\$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.	10,270,000
\$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.	1,235,000
\$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.	663,316
\$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.	11,929,830

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### Business-type Activities (Continued)

#### General obligation bonds (continued)

\$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. \$ 12,682,676

\$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. 1,375,983

#### Notes payable

\$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. 4,000,000

\$12,000,000 2013 General Obligation Tax Note, due in installments of \$4,000,000 plus interest ranging from 0.3% to .5%, payable semi-annually, through December 1, 2015. 12,000,000

Total business-type activities \$ 116,693,365

### Drainage District Component Unit

#### Notes payable

\$290,000 2014 Pierson Swamp Drain Note, due in one installment on May 1, 2017, interest of 1.10% due at maturity \$ 290,000

\$120,000 2014 Black Creek Drain Note, due in two installments of \$60,000, plus interest at 1.10%, payable May 1, 2016 and 2017. 120,000

Total drainage district component unit \$ 410,000

# 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
2015	\$ 2,822,293	\$ 2,974,636	\$ 17,650,000	\$ 3,286,771
2016	2,493,463	2,967,094	9,765,000	3,085,462
2017	1,377,589	2,865,474	5,905,000	2,908,299
2018	1,324,282	2,804,454	6,070,000	2,743,920
2019	2,344,580	2,721,321	6,195,000	2,574,321
2020-2024	13,295,000	11,836,472	30,835,000	10,092,186
2025-2029	28,225,000	6,989,664	28,082,382	5,224,054
2030-2034	12,210,000	920,229	7,090,983	2,131,136
2035-2038	-	-	5,100,000	393,903
	<u>\$ 64,092,207</u>	<u>\$ 34,079,344</u>	<u>\$ 116,693,365</u>	<u>\$ 32,440,052</u>

Year Ended September 30,	Drainage District Component Unit	
	Principal	Interest
2015	\$ -	\$ 4,510
2016	60,000	4,235
2017	350,000	2,246
	<u>\$ 410,000</u>	<u>\$ 10,991</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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

In 1995 the voters approved \$16 million in Building Authority General Obligation Unlimited Tax Bonds issued in 1996 for renovation of an arts and sports complex. Millage of up to .47 mills has been levied through tax year 2015 for the repayment through the last payment in the year 2016 of the 2009 Building Authority General Obligation Unlimited Tax Refunding Bonds that succeed the original bonds. The full faith and credit of the County is pledged for repayment of the bonds.

Proceeds of the outstanding County Building Authority Limited Tax General Obligation Bonds were used to construct a community mental health center, to provide energy improvements across most of the County's buildings, and to remodel the County's Hall of Justice. Building lease payments are pledged for the payment of annual debt service along with the limited tax full faith and credit pledge of the County.

In October 2013 the County issued \$38.87 million of General Obligation Limited Tax Bonds to pay the costs of a project to acquire, construct, renovate, furnish and equip a jail and a juvenile transition facility. The cost of various capital improvements in the County were funded in September 2014 by \$5.915 million of Limited Tax General Obligation Capital Improvement Bonds. Debt service on these bonds is payable from the general funds of the County or from property taxes levied within constitutional and statutory tax rate limitations, if necessary.

The compensated absences liability is liquidated by allocating each payoff of earned but unused vacation and sick pay benefits as general administrative expense across all activities of the County primary government and participating component units when paid upon termination of employment.

## 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees and the public; and natural disasters. The County has a self-insurance (internal service) fund to account for and finance its uninsured risk of losses. Under this program, the self-insurance fund provides coverage for up to a maximum of \$300,000 for each Workers' Compensation claim, \$250,000 for each general liability claim, \$50,000 for each property damage claim, \$100,000 for each auto claim and the County is partially self-insured for medical costs with a lifetime maximum exposure of \$1 million per participant. The County purchases commercial insurance for claims in excess of the stated coverages and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

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.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

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
2013	\$ 3,827,773	\$ 17,485,491	\$ (18,004,444)	\$ 3,308,820
2014	3,308,820	20,444,227	(20,404,692)	3,348,355

## 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.* As of September 30, 2014, members are required to contribute from 0.0-8.75% of their annual covered salary. The County is required to contribute at an actuarially determined rate; the current rate varies as a percentage of annual covered payroll from 0.00 to 44.11%. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

For the year ended September 30, 2014, the County's actual and required contribution for MERS was \$5,713,657. The required contribution was determined as part of the December 31, 2011 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, 2013, the date of the latest actuarial valuation, was from 14 to 25 years depending on employment division.

Three-Year Trend Information			
Years Ended September 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2012	\$ 5,478,669	100%	\$ -
2013	4,954,169	100%	-
2014	5,713,657	100%	-

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the Plan was 75 percent funded. The actuarial accrued liability for benefits was \$241,913,334, and the actuarial value of assets was \$181,545,685, resulting in an unfunded actuarial accrued liability (UAAL) of \$60,367,649. The covered payroll (annual payroll of active employees covered by the Plan) was \$36,457,180, and the ratio of the UAAL to the covered payroll was 166 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 \$320,742 and \$624,371 respectively for the current year.

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 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).

Membership of the Plan consisted of the following at December 31, 2012, the date of the latest actuarial valuation:

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 13 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	\$ 5,383,929
Interest on net OPEB obligation	196,757
Adjustment to annual required contribution	<u>(126,044)</u>
 Net OPEB cost (expense)	 5,454,642
Contributions made	<u>(3,818,242)</u>
 Increase in net OPEB obligation	 1,636,400
Net OPEB obligation, beginning of year	<u>2,459,473</u>
 Net OPEB obligation, end of year	 <u><u>\$ 4,095,873</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 2014 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
2012	\$ 5,790,313	80%	\$ 1,178,700
2013	5,809,114	78%	2,459,473
2014	5,454,642	70%	4,095,873

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 \$271,859 for the year ended September 30, 2014.

## 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 \$11.7 million reported as landfill closure and post-closure care liability at September 30, 2014 represents the cumulative amount reported to date based on the use of 68 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 8 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$12.0 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2014. 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 \$2,088,248 held in trust as of September 30, 2014. 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	Capital Projects Jail / JTC Building	Nonmajor Funds	Total
<b>FUND BALANCES, GOVERNMENTAL FUNDS</b>					
Nonspendable:					
Inventories	\$ -	\$ -	\$ -	\$ 16,617	\$ 16,617
Prepays	-	155,014	-	732	155,746
Long-term advances and notes receivable	3,838,496	-	-	875,000	4,713,496
Permanent fund corpus	-	-	-	37,090	37,090
<b>Total nonspendable</b>	<b>3,838,496</b>	<b>155,014</b>	<b>-</b>	<b>929,439</b>	<b>4,922,949</b>
Restricted for:					
Training	58,586	-	-	-	58,586
Heritage Landing Improvements	-	-	-	53,888	53,888
Community Mental Health	-	445,345	-	-	445,345
Health Department	-	-	-	241,724	241,724
Accommodation Tax	-	-	-	660,454	660,454
Grant programs	-	-	-	20,540	20,540
Forfeited property	-	-	-	6,679	6,679
Deed Automation Fund	-	-	-	1,176,506	1,176,506
Stormwater Committee	-	-	-	8,579	8,579
EDC Loan Revolving	-	-	-	46,939	46,939
Veterans' Care & Trust	-	-	-	45,247	45,247
Mental Health Buildings	-	-	-	85,163	85,163
Victim Restitution	-	-	-	33,015	33,015
Debt repayment	-	-	-	588,002	588,002
Capital projects	-	-	17,561,953	3,731,543	21,293,496
<b>Total restricted</b>	<b>58,586</b>	<b>445,345</b>	<b>17,561,953</b>	<b>6,698,279</b>	<b>24,764,163</b>
Committed for:					
Parks	-	-	-	193,488	193,488
Strategic Planning	-	-	-	23	23
Grant programs	-	-	-	20,214	20,214
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>213,725</b>	<b>213,725</b>
Assigned for:					
Emergency Services	-	-	-	1,946	1,946
Marine Safety	-	-	-	15,564	15,564
Health Department	-	-	-	346,758	346,758
Crime Victims' Rights	-	-	-	1,058	1,058
Capital projects	-	-	-	13,853	13,853
<b>Total assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>379,179</b>	<b>379,179</b>
Unassigned	5,807,804	-	-	-	5,807,804
<b>Total fund balances, government funds</b>	<b>\$ 9,704,886</b>	<b>\$ 600,359</b>	<b>\$ 17,561,953</b>	<b>\$ 8,220,622</b>	<b>\$ 36,087,820</b>

# 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, 2014, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 28,535,857	\$ 20,726,966	\$ 25,324,757
Capital assets being depreciated, net	66,279,089	150,276,380	45,495,315
	<u>94,814,946</u>	<u>171,003,346</u>	<u>70,820,072</u>
Related debt:			
Total installment debt	64,092,207	116,693,365	410,000
Net bond premium	207,392	396,887	-
Deferred loss on advance refunding	(128,940)	-	-
Unexpended bond proceeds	(21,293,496)	-	-
General obligation tax notes	-	(16,000,000)	-
Bond premium on tax notes	-	(8,146)	-
Bonds payable related to capital leases	-	(26,700,000)	-
	<u>42,877,163</u>	<u>74,382,106</u>	<u>410,000</u>
Net investment in capital assets	<u>\$ 51,937,783</u>	<u>\$ 96,621,240</u>	<u>\$ 70,410,072</u>

### 18. COMMITMENTS

At year end the County had outstanding commitments of approximately \$18.3 million for additions to remodeling of the jail complex. The construction costs will be financed with bond proceeds received in fiscal year 2014.

The County is a lessor of office facilities, as part of operating leases, primarily utilized by the Department of Employment and Training. During fiscal year 2014, the County made payments of \$596,120 under these operating lease agreements. Future minimum lease payments for these and other leases are as follows:

Year Ended September 30,	Expected Lease Payment
2015	\$ 712,819
2016	689,090
2017	617,902
2018	616,333
2019	609,844
2020-2023	2,281,023
	<u>\$ 5,527,011</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Notes to Financial Statements

### 19. SPECIAL ITEM

Through December 31, 2013, CMHS of Muskegon County operated as a managed care provider to the State of Michigan. Under this arrangement, CMHS of Muskegon County bore all costs up to 105% of the annual negotiated contract for Medicaid services. Costs between 105% and 100% were shared between CMHS of Muskegon County and the State. All cost above 110% were borne by the State of Michigan. With the state-wide reorganization of the community mental health system, CMHS of Muskegon County transitioned the managed care contract to the newly established regional entities as of January 1, 2014. In January 2014, CMHS of Muskegon County disbursed \$1,779,781 of the risk reserve to the regional entity. The remaining balance of \$1,724,621 was reported as a payable at September 30, 2014 and disbursed in November, 2014. Because this transaction was significant in amount and infrequent/unusual in nature, it has been reported in the Statement of Changes in Net Position, Internal Service Fund, as a special item.

■ ■ ■ ■ ■

This page intentionally left blank.

## REQUIRED SUPPLEMENTARY INFORMATION

# COUNTY OF MUSKEGON, MICHIGAN

## Required Supplementary Information Employees' Retirement Plan

### Schedule of Funding Progress - MERS Defined Benefit Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2008	\$ 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%
12/31/2013	181,545,685	241,913,334	60,367,649	75.0%	36,457,180	165.6%

### Schedule of Employer Contributions - MERS Defined Benefit Pension Plan

Year Ended September 30,	Annual Required Contributions	Percentage Contributed
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%
2014	5,713,657	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)
12/31/2009	\$ 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
2012	\$ 5,790,313	80%
2013	5,790,313	78%
2014	5,383,929	71%

This page intentionally left blank.

**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, 2014

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
General government:				
Friend of the Court	\$ 3,668,181	\$ 3,812,642	\$ 3,791,737	\$ (20,905)
Administration	822,522	717,488	752,949	35,461
Residential Energy Efficiency Program	-	443,209	522,400	79,191
Elections	193,800	183,874	163,401	(20,473)
Accounting	780,490	780,427	783,506	3,079
Corporate Counsel	115,600	155,000	198,645	43,645
County Clerk	383,624	393,430	377,456	(15,974)
Circuit Court Records	475,650	470,916	466,644	(4,272)
Juror Showcase	12,000	12,000	7,252	(4,748)
Equalization	1,456,770	1,448,951	1,413,098	(35,853)
Human Resources	250,534	240,335	242,997	2,662
City of Muskegon	100,888	94,265	93,841	(424)
Prosecutor	1,914,464	1,957,863	1,973,412	15,549
Register of Deeds	584,336	540,966	529,529	(11,437)
Johnny O. Harris Building	3,502	3,887	3,726	(161)
Training Center	111,152	131,298	128,801	(2,497)
Kenneth L. Brinks Building	-	-	4,163	4,163
Veterans Center	-	13,778	15,146	1,368
Central Services Building	9,311	10,561	9,537	(1,024)
Stark Hall	20,803	21,059	19,390	(1,669)
Treasurer	480,700	501,514	491,192	(10,322)
Shady Grove Cemetery	3,043	2,064	1,985	(79)
Cordova Site O&M	1,325	1,350	1,826	476
Courthouse and Grounds	960,023	1,005,095	1,005,127	32
Oak Ave. Building	148,176	160,201	157,093	(3,108)
County Jail Building	384,661	384,874	390,596	5,722
Drain Commissioner	279,848	274,584	274,228	(356)
Plat Board	700	-	-	-
Vehicle Pool	15,000	13,500	12,404	(1,096)
State Institutions	126,192	276,192	236,538	(39,654)
Information Systems	625,917	1,090,863	1,096,810	5,947
Prosecutor Family Court	212,034	221,817	222,135	318
Misc Contingency	1,342,128	647,973	690,885	42,912
Total general government	<u>15,483,374</u>	<u>16,011,976</u>	<u>16,078,449</u>	<u>66,473</u>
Legislative:				
Board of Commissioners	<u>386,360</u>	<u>364,455</u>	<u>344,190</u>	<u>(20,265)</u>

continued...

# COUNTY OF MUSKEGON, MICHIGAN

## Schedule of Expenditures by Department

Budget and Actual

GENERAL FUND

For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Judicial:</b>				
Circuit Court	\$ 1,294,805	\$ 1,189,737	\$ 1,137,753	\$ (51,984)
Circuit Court Collections	72,196	78,354	75,927	(2,427)
District Court	3,246,094	3,306,644	3,282,653	(23,991)
Probation Cobo Hall Tax	173,078	176,364	177,289	925
District Court Collections	176,991	189,632	190,640	1,008
Law Library	21,115	18,615	19,732	1,117
Jury Commission	34,050	34,050	43,484	9,434
Probate Court	793,108	803,462	799,375	(4,087)
Juvenile Court	721,040	594,943	656,993	62,050
State Probation	68,507	66,045	57,063	(8,982)
Public Defender	1,279,522	1,331,057	1,447,459	116,402
Total judicial	<u>7,880,506</u>	<u>7,788,903</u>	<u>7,888,368</u>	<u>99,465</u>
<b>Public safety:</b>				
Designated & Pass-thru Revenues	1,069,897	1,225,427	1,266,270	40,843
Facility Security Services	88,837	95,456	91,924	(3,532)
Sheriff Operations	3,593,468	3,795,852	3,802,897	7,045
Sheriff Administration	476,152	479,642	476,487	(3,155)
Officer Training Act 302	10,000	10,000	9,992	(8)
Correction Officer Training	60,000	60,531	26,185	(34,346)
Sheriff Jail	5,847,989	6,178,871	6,191,686	12,815
Courtroom Security	1,120,226	1,171,879	1,177,556	5,677
Vector Control	415,125	427,524	424,034	(3,490)
Total public safety	<u>12,681,694</u>	<u>13,445,182</u>	<u>13,467,031</u>	<u>21,849</u>
<b>Cultural:</b>				
MSU Extension	170,304	177,225	174,974	(2,251)
Fairgrounds Training Center	28,356	26,263	25,425	(838)
Total cultural	<u>198,660</u>	<u>203,488</u>	<u>200,399</u>	<u>(3,089)</u>
<b>Total expenditures</b>	<u>\$ 36,630,594</u>	<u>\$ 37,814,004</u>	<u>\$ 37,978,437</u>	<u>\$ 164,433</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

**Schedule of Transfers Out by Function**

Budget and Actual

GENERAL FUND

For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Transfers out:				
Special Revenue Funds:				
General government - to Accomodations Tax	\$ -	\$ -	\$ (22,492)	\$ 22,492
Judicial - to Sobriety Court				
Sobriety Court	(258,846)	(213,472)	(207,953)	(5,519)
Prosecutor Family Court	(137,034)	(141,353)	(154,835)	13,482
Family Court	(1,490,238)	(1,499,646)	(1,560,293)	60,647
Law Library	(14,315)	(11,565)	(12,651)	1,086
Public safety funds	(570,191)	(607,238)	(622,103)	14,865
Health, welfare and cultural funds:				
Child care fund	(4,178,189)	(4,034,850)	(3,909,040)	(125,810)
Public health fund	(1,913,732)	(1,818,732)	(1,770,861)	(47,871)
Community Mental Health fund	(786,937)	(786,937)	(786,937)	-
Other health, welfare and cultural funds	(12,904)	(10,845)	(4,565)	(6,280)
Debt service funds	(204,144)	(204,144)	(206,312)	2,168
Capital project funds	-	-	(6,096)	6,096
Enterprise Funds:				
Brookhaven Medical Care Facility	(350,000)	(648,871)	(665,348)	16,477
Airport Fund	(559,474)	(554,637)	(559,474)	4,837
Elimination	1,641,587	1,652,564	1,727,779	(75,215)
Total transfers out	\$ (8,834,417)	\$ (8,879,726)	\$ (8,761,181)	\$ (118,545)

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

# 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 Michigan 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.

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.

SSSPP Grant (2153)--to account for state grant funding to support activities pursuing the SSSPP program goals to increase compliance with probation, improve public safety, reduce incarcerations days in the jail and prison system and provide probationers with comprehensive substance and/or mental health services needed for successful completion of probation.

Court Innovation Grant (2154)--to account for state grant funding for exploring ways to use social media in order to serve parties to Circuit Court proceedings, provide information, remind parties to pay child support, and remind parties of upcoming hearings; and to explore use of online means to pay restitution and court fees.

## COUNTY OF MUSKEGON, MICHIGAN

### Nonmajor Governmental Funds

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.

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.

NOAA 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.

## COUNTY OF MUSKEGON, MICHIGAN

### Nonmajor Governmental Funds

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

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

Community Corrections (2640)--to account for monies granted to the County by the state to provide alternatives such as tethers, bail screening and additional probation and alleviate jail overcrowding problems.

TNT Drug (2671)--to account for proceeds of forfeited property seized in connection with a violation of the controlled substance statutes. These funds are set aside for drug law enforcement.

Prosecutor Drug (2672)--to account for the 10% administrative costs assessed to local municipalities on the proceeds for forfeitures in connection with drug related crimes handled by the Prosecutor's Department.

Testing Services (2721)--to account for charges for services including proctoring of assessments provided to area employers.

Wagner-Peyser (2731)--to account for Federal pass-through funds for recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge and skills.

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

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

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

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

## COUNTY OF MUSKEGON, MICHIGAN

### Nonmajor Governmental Funds

Workforce Investment Act (WIA) Admin Pool (2760)--to account for Federal pass-through funds from the state received by the County as a prime sponsor for Muskegon and Oceana Counties under the Workforce Investment Act. These funds are targeted for training and employment programs for the unemployed and economically disadvantaged citizens of Muskegon and Oceana counties.

WIA Adult Program (2761)--to account for Federal pass-through funds from the state received by the County as a prime sponsor for Muskegon and Oceana counties under the Workforce Investment Act. These funds are targeted for training and employment of economically disadvantaged adults.

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

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

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

WIA 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 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.

Skilled Trades Training (2792)--to account for Federal pass-through funds that provide training assistance to local companies in order to find/create talent with the skills they need.

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.

## COUNTY OF MUSKEGON, MICHIGAN

### Nonmajor Governmental Funds

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.

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. Starting in 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 Facility 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.

Jail & Juvenile Transition Center (3660)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Jail & Juvenile Transition Center (JTC) building project.

### Capital Projects Funds

CMH Apple Building (4140)--to account for revenue and expenditures associated with the addition and improvement of a County Mental Health Center.

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

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

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

### Permanent Funds

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

This page intentionally left blank.

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2014

	Special Revenue Funds						
	Sobriety Court (1170)	Emergency Services (1190)	Marine Safety (1200)	Port Security (1201)	Highway Safety Programs (1210)	Township Patrols (1240)	Park Fund (2080)
<b>ASSETS</b>							
Cash and investments	\$ 4,471	\$ 575	\$ -	\$ -	\$ -	\$ 5,823	\$ 207,769
Receivables, net:							
Accounts	-	24,743	-	-	-	-	-
Due from other governments	7,068	-	60,420	105,374	75,178	-	-
Accrued interest	-	-	-	-	-	-	430
Long-term notes	-	-	-	-	-	-	-
Prepaid and other items	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 11,539</b>	<b>\$ 25,318</b>	<b>\$ 60,420</b>	<b>\$ 105,374</b>	<b>\$ 75,178</b>	<b>\$ 5,823</b>	<b>\$ 208,199</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Negative equity in pooled cash	\$ -	\$ 14,321	\$ 38,244	\$ 98,575	\$ 59,754	\$ -	\$ -
<b>Payables:</b>							
Accounts payable	7,499	5,076	854	3,824	9,412	-	6,918
Due to other governments	-	-	-	-	-	-	-
Accrued liabilities	4,040	3,975	5,758	-	6,012	5,823	7,793
Unearned revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>11,539</b>	<b>23,372</b>	<b>44,856</b>	<b>102,399</b>	<b>75,178</b>	<b>5,823</b>	<b>14,711</b>
<b>Fund balances:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	2,975	-	-	-
Committed	-	-	-	-	-	-	193,488
Assigned	-	1,946	15,564	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>1,946</b>	<b>15,564</b>	<b>2,975</b>	<b>-</b>	<b>-</b>	<b>193,488</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,539</b>	<b>\$ 25,318</b>	<b>\$ 60,420</b>	<b>\$ 105,374</b>	<b>\$ 75,178</b>	<b>\$ 5,823</b>	<b>\$ 208,199</b>

Special Revenue Funds

Access & Visitation (2151)	SSSPP Grant (2153)	Court Innovation Grant (2154)	Health Department (2210)	Lead Hazard Grant (2212)	Community Hub (2216)	Sustainability Grant (2261)	NOAA Habitat Conservation Grant (2271)	Accommodations Tax (2300)	Parks Development (2411)
\$ 30	\$ -	\$ -	\$ 784,897	\$ -	\$ -	\$ -	\$ -	\$ 586,659	\$ 33
-	-	-	283	-	-	-	-	101,121	-
-	61,314	50,000	37,363	141,156	-	8,948	4,860	-	-
-	-	-	508	-	-	-	-	1,169	-
-	-	-	-	-	-	-	-	-	-
-	-	-	732	-	-	-	-	-	-
-	-	-	16,617	-	-	-	-	-	-
<u>\$ 30</u>	<u>\$ 61,314</u>	<u>\$ 50,000</u>	<u>\$ 840,400</u>	<u>\$ 141,156</u>	<u>\$ -</u>	<u>\$ 8,948</u>	<u>\$ 4,860</u>	<u>\$ 688,949</u>	<u>\$ 33</u>
\$ -	\$ 59,732	\$ 45,000	\$ -	\$ 72,531	\$ -	\$ 8,948	\$ 4,854	\$ -	\$ -
-	1,582	5,000	47,856	9,789	-	-	-	20,830	-
-	-	-	26,245	-	-	-	-	-	-
-	-	-	160,468	2,771	-	-	-	7,665	33
-	-	-	-	56,065	-	-	-	-	-
-	61,314	50,000	234,569	141,156	-	8,948	4,854	28,495	33
-	-	-	17,349	-	-	-	-	-	-
30	-	-	241,724	-	-	-	6	660,454	-
-	-	-	-	-	-	-	-	-	-
-	-	-	346,758	-	-	-	-	-	-
30	-	-	605,831	-	-	-	6	660,454	-
<u>\$ 30</u>	<u>\$ 61,314</u>	<u>\$ 50,000</u>	<u>\$ 840,400</u>	<u>\$ 141,156</u>	<u>\$ -</u>	<u>\$ 8,948</u>	<u>\$ 4,860</u>	<u>\$ 688,949</u>	<u>\$ 33</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2014

	Special Revenue Funds						
	CDBG Housing Grant (2470)	Neighborhood Stabilization Grant (2471)	Deed Automation Fund (2560)	Community Corrections (2640)	TNT Drug (2671)	Prosecutor Drug (2672)	Testing Services (2721)
<b>ASSETS</b>							
Cash and investments	\$ -	\$ -	\$ 1,182,376	\$ -	\$ 4,934	\$ 1,745	\$ -
Receivables, net:							
Accounts	-	-	-	-	-	-	19,272
Due from other governments	15,328	19,302	-	18,965	-	-	-
Accrued interest	-	104	3,353	-	-	-	-
Long-term notes	-	-	-	-	-	-	-
Prepaid and other items	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 15,328</b>	<b>\$ 19,406</b>	<b>\$ 1,185,729</b>	<b>\$ 18,965</b>	<b>\$ 4,934</b>	<b>\$ 1,745</b>	<b>\$ 19,272</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Negative equity in pooled cash	\$ 14,434	\$ 1,321	\$ -	\$ 9,804	\$ -	\$ -	\$ 16,709
Payables:							
Accounts payable	350	4,105	7,537	2,217	-	-	1,815
Due to other governments	-	-	-	270	-	-	-
Accrued liabilities	544	-	1,686	6,674	-	-	748
Unearned revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>15,328</b>	<b>5,426</b>	<b>9,223</b>	<b>18,965</b>	<b>-</b>	<b>-</b>	<b>19,272</b>
<b>Fund balances:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	13,980	1,176,506	-	4,934	1,745	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>13,980</b>	<b>1,176,506</b>	<b>-</b>	<b>4,934</b>	<b>1,745</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 15,328</b>	<b>\$ 19,406</b>	<b>\$ 1,185,729</b>	<b>\$ 18,965</b>	<b>\$ 4,934</b>	<b>\$ 1,745</b>	<b>\$ 19,272</b>

Special Revenue Funds

Wagner Peyser (2731)	Trade Adjustment Assistance (2733)	DET Cost Pool (2739)	Jobs Education & Training (2751)	Food Assistance Employment & Training (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Worker Program (2763)	Strategic Planning (2765)
\$ -	\$ -	\$ 72,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23
11,369	-	6,998	330	-	-	-	1,027	-	-
42,319	28,087	-	718,495	684	8,804	179,776	112,467	77,777	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 53,688</u>	<u>\$ 28,087</u>	<u>\$ 79,533</u>	<u>\$ 718,825</u>	<u>\$ 684</u>	<u>\$ 8,804</u>	<u>\$ 179,776</u>	<u>\$ 113,494</u>	<u>\$ 77,777</u>	<u>\$ 23</u>
\$ 46,075	\$ 14,298	\$ -	\$ 568,849	\$ 607	\$ 1,981	\$ 106,922	\$ 96,680	\$ 50,243	\$ -
3,211	12,499	73,112	95,416	77	126	62,447	8,290	21,918	-
-	-	-	-	-	3,675	-	-	-	-
4,402	1,290	6,421	54,560	-	3,022	10,407	8,524	5,616	-
-	-	-	-	-	-	-	-	-	-
<u>53,688</u>	<u>28,087</u>	<u>79,533</u>	<u>718,825</u>	<u>684</u>	<u>8,804</u>	<u>179,776</u>	<u>113,494</u>	<u>77,777</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	23
-	-	-	-	-	-	-	-	-	-
<u>\$ 53,688</u>	<u>\$ 28,087</u>	<u>\$ 79,533</u>	<u>\$ 718,825</u>	<u>\$ 684</u>	<u>\$ 8,804</u>	<u>\$ 179,776</u>	<u>\$ 113,494</u>	<u>\$ 77,777</u>	<u>\$ 23</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2014

	Special Revenue Funds						
	WIA Service Center Operations (2767)	WIA Gold Standard Evaluation (2788)	Reemploy- ment Services EUC (2789)	United Way Summer Youth (2790)	Skilled Trades Training (2792)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)
<b>ASSETS</b>							
Cash and investments	\$ -	\$ 20,214	\$ -	\$ -	\$ -	\$ -	\$ 33,181
Receivables, net:							
Accounts	-	-	-	-	-	-	-
Due from other governments	930	-	-	-	5,744	50,408	-
Accrued interest	-	-	-	-	-	-	-
Long-term notes	-	-	-	-	-	-	-
Prepaid and other items	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 930</u>	<u>\$ 20,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,744</u>	<u>\$ 50,408</u>	<u>\$ 33,181</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Negative equity in pooled cash	\$ 930	\$ -	\$ -	\$ -	\$ 5,744	\$ 44,148	\$ -
Payables:							
Accounts payable	-	-	-	-	-	39	24,602
Due to other governments	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	5,163	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,744</u>	<u>49,350</u>	<u>24,602</u>
<b>Fund balances:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	8,579
Committed	-	20,214	-	-	-	-	-
Assigned	-	-	-	-	-	1,058	-
Total fund balances	<u>-</u>	<u>20,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,058</u>	<u>8,579</u>
Total liabilities and fund balances	<u>\$ 930</u>	<u>\$ 20,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,744</u>	<u>\$ 50,408</u>	<u>\$ 33,181</u>

Special Revenue Funds

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)	Quality of Victim Restitution (2980)
\$ -	\$ 3,549	\$ 31,659	\$ 13,712	\$ 647	\$ 32,109	\$ 15,844	\$ 112,315	\$ 32,917
46,939	-	-	-	7,583	-	-	-	-
-	-	-	3,350	1,838,026	-	-	-	-
-	-	-	-	-	210	-	351	98
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 46,939</u>	<u>\$ 3,549</u>	<u>\$ 31,659</u>	<u>\$ 17,062</u>	<u>\$ 1,846,256</u>	<u>\$ 32,319</u>	<u>\$ 15,844</u>	<u>\$ 112,666</u>	<u>\$ 33,015</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,420,621	\$ -	\$ -	\$ -	\$ -
-	-	-	17,062	343,631	175	2,741	26,783	-
-	-	-	-	5,048	-	-	-	-
-	-	-	-	76,956	-	-	720	-
-	-	31,659	-	-	-	-	-	-
-	-	<u>31,659</u>	<u>17,062</u>	<u>1,846,256</u>	<u>175</u>	<u>2,741</u>	<u>27,503</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
46,939	3,549	-	-	-	32,144	13,103	85,163	33,015
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>46,939</u>	<u>3,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,144</u>	<u>13,103</u>	<u>85,163</u>	<u>33,015</u>
<u>\$ 46,939</u>	<u>\$ 3,549</u>	<u>\$ 31,659</u>	<u>\$ 17,062</u>	<u>\$ 1,846,256</u>	<u>\$ 32,319</u>	<u>\$ 15,844</u>	<u>\$ 112,666</u>	<u>\$ 33,015</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 September 30, 2014

	Debt Service Funds				Capital Projects Funds		
	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)	Jail & Juvenile Transition Center (3660)	CMH Apple Building (4140)	Heritage Landing Development (4180)	Public Improvement (4930)
<b>ASSETS</b>							
Cash and investments	\$ 449,196	\$ -	\$ 134,754	\$ 3,720,881	\$ 8	\$ 67,741	\$ -
Receivables, net:							
Accounts	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Accrued interest	3,924	25	128	10,654	-	-	17
Long-term notes	-	-	-	-	-	-	575,000
Prepaid and other items	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 453,120</u>	<u>\$ 25</u>	<u>\$ 134,882</u>	<u>\$ 3,731,535</u>	<u>\$ 8</u>	<u>\$ 67,741</u>	<u>\$ 575,017</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Negative equity in pooled cash	\$ -	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ 17
Payables:							
Accounts payable	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	575,000
Restricted	453,120	-	134,882	3,731,535	8	53,888	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	13,853	-
<b>Total fund balances</b>	<u>453,120</u>	<u>-</u>	<u>134,882</u>	<u>3,731,535</u>	<u>8</u>	<u>67,741</u>	<u>575,000</u>
<b>Total liabilities and fund balances</b>	<u>\$ 453,120</u>	<u>\$ 25</u>	<u>\$ 134,882</u>	<u>\$ 3,731,535</u>	<u>\$ 8</u>	<u>\$ 67,741</u>	<u>\$ 575,017</u>

Capital Projects Funds	Permanent Funds	
Capital Improvement (4960)	Cemetery Trust (1500)	Total
\$ -	\$ 36,949	\$ 7,557,546
-	-	219,665
-	-	3,672,143
-	141	21,112
300,000	-	875,000
-	-	732
-	-	16,617
<u>\$ 300,000</u>	<u>\$ 37,090</u>	<u>\$ 12,362,815</u>

\$ -	\$ -	\$ 2,801,367
-	-	826,793
-	-	35,238
-	-	391,071
-	-	87,724
<u>-</u>	<u>-</u>	<u>4,142,193</u>
300,000	37,090	929,439
-	-	6,698,279
-	-	213,725
-	-	379,179
<u>300,000</u>	<u>37,090</u>	<u>8,220,622</u>
<u>\$ 300,000</u>	<u>\$ 37,090</u>	<u>\$ 12,362,815</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, 2014

	Special Revenue Funds						
	Sobriety Court (1170)	Emergency Services (1190)	Marine Safety (1200)	Port Security (1201)	Highway Safety Programs (1210)	Township Patrols (1240)	Park Fund (2080)
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	45,000	250,456	-	333,966	59,854	-	-
State	-	-	80,060	-	147,870	-	-
Local	-	-	-	-	-	104,384	1,400
Charges for services	92,011	-	-	-	-	-	671,203
Fines and forfeitures	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	1,117
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	2,717
Total revenues	<u>137,011</u>	<u>250,456</u>	<u>80,060</u>	<u>333,966</u>	<u>207,724</u>	<u>104,384</u>	<u>676,437</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Judicial	345,264	-	-	-	-	-	-
Public safety	-	243,461	145,667	106,961	296,935	224,524	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Cultural	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	676,618
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	204,784	-	235,634	-	-	-
Total expenditures	<u>345,264</u>	<u>448,245</u>	<u>145,667</u>	<u>342,595</u>	<u>296,935</u>	<u>224,524</u>	<u>676,618</u>
Revenues over (under) expenditures	<u>(208,253)</u>	<u>(197,789)</u>	<u>(65,607)</u>	<u>(8,629)</u>	<u>(89,211)</u>	<u>(120,140)</u>	<u>(181)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	207,953	189,105	57,951	-	89,211	120,140	-
Transfers out	-	-	-	-	-	-	(48,886)
Proceeds from sale of capital assets	300	450	5,496	11,604	-	-	-
Total other financing sources (uses)	<u>208,253</u>	<u>189,555</u>	<u>63,447</u>	<u>11,604</u>	<u>89,211</u>	<u>120,140</u>	<u>(48,886)</u>
Net change in fund balances	-	(8,234)	(2,160)	2,975	-	-	(49,067)
Fund balances, beginning of year	-	10,180	17,724	-	-	-	242,555
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,946</u>	<u>\$ 15,564</u>	<u>\$ 2,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,488</u>

Special Revenue Funds

Access & Visitation (2151)	SSSPP Grant (2153)	Court Innovation Grant (2154)	Health Department (2210)	Lead Hazard Grant (2212)	Community Hub (2216)	Sustain-ability Grant (2261)	NOAA Habitat Conservation Grant (2271)	Accomoda-tions Tax (2300)	Parks Development (2411)
\$ -	\$ -	\$ -	\$ 558,949	\$ -	\$ -	\$ -	\$ -	\$ 1,096,033	\$ -
3,100	-	-	1,819,809	357,675	112,383	-	4,860	-	-
-	66,846	50,000	1,136,656	-	-	11,349	-	-	37,500
-	-	-	749	74,386	-	-	-	-	-
-	-	-	1,528,637	-	-	-	-	56,713	-
-	-	-	-	-	-	-	-	-	-
-	-	-	2,294	-	-	-	-	4,005	-
-	-	-	-	-	-	-	-	10,619	-
-	-	-	331,495	-	-	-	-	256	-
3,100	66,846	50,000	5,378,589	432,061	112,383	11,349	4,860	1,167,626	37,500
-	-	-	-	-	-	-	-	892,948	-
3,100	-	50,000	-	-	-	-	-	-	-
-	66,846	-	-	-	-	-	-	-	-
-	-	-	7,353,255	432,061	85,317	-	4,860	-	-
-	-	-	-	-	-	11,349	-	-	-
-	-	-	-	-	-	-	-	-	60,920
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
3,100	66,846	50,000	7,353,255	432,061	85,317	11,349	4,860	892,948	60,920
-	-	-	(1,974,666)	-	27,066	-	-	274,678	(23,420)
-	-	-	1,770,859	-	-	-	-	22,492	23,420
-	-	-	-	-	(46,850)	-	-	(233,536)	-
-	-	-	-	-	-	-	-	-	-
-	-	-	1,770,859	-	(46,850)	-	-	(211,044)	23,420
-	-	-	(203,807)	-	(19,784)	-	-	63,634	-
30	-	-	809,638	-	19,784	-	6	596,820	-
\$ 30	\$ -	\$ -	\$ 605,831	\$ -	\$ -	\$ -	\$ 6	\$ 660,454	\$ -

continued...

COUNTY OF MUSKEGON, MICHIGAN

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
 Nonmajor Governmental Funds  
 For the Year Ended September 30, 2014

	Special Revenue Funds						
	CDBG Housing Grant (2470)	Neighborhood Stabilization Grant (2471)	Deed Automation Fund (2560)	Community Corrections (2640)	TNT Drug (2671)	Prosecutor Drug (2672)	Testing Services (2721)
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	222,292	86,537	-	-	-	-	-
State	-	-	-	157,280	-	-	-
Local	-	-	-	-	-	-	-
Charges for services	-	-	162,013	10,700	-	-	10,000
Fines and forfeitures	-	-	-	-	4,410	-	-
Investment income	32	299	10,999	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	11,999	186,411	-	-	-	-	9,272
Total revenues	<u>234,323</u>	<u>273,247</u>	<u>173,012</u>	<u>167,980</u>	<u>4,410</u>	<u>-</u>	<u>19,272</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	129,054	-	-	-	-
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	301,640	173	98	-
Health	-	-	-	-	-	-	-
Welfare	234,323	273,247	-	-	-	-	19,272
Cultural	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	21,136	-	-	-	-
Total expenditures	<u>234,323</u>	<u>273,247</u>	<u>150,190</u>	<u>301,640</u>	<u>173</u>	<u>98</u>	<u>19,272</u>
Revenues over (under) expenditures	-	-	22,822	(133,660)	4,237	(98)	-
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	133,660	-	-	-
Transfers out	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	133,660	-	-	-
Net change in fund balances	-	-	22,822	-	4,237	(98)	-
Fund balances, beginning of year	-	13,980	1,153,684	-	697	1,843	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 13,980</u>	<u>\$ 1,176,506</u>	<u>\$ -</u>	<u>\$ 4,934</u>	<u>\$ 1,745</u>	<u>\$ -</u>

Special Revenue Funds									
Wagner Peyser (2731)	Trade Adjustment Assistance (2733)	DET Cost Pool (2739)	Jobs Education & Training (2751)	Food Assistance Employment & Training (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Worker Program (2763)	Strategic Planning (2765)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
303,542	137,798	-	2,938,706	2,683	182,255	942,005	522,389	465,488	-
-	-	-	743,718	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	4,464	-	-	-	-	-	-	-
19,949	-	-	-	-	-	-	4,224	-	-
<u>323,491</u>	<u>137,798</u>	<u>4,464</u>	<u>3,682,424</u>	<u>2,683</u>	<u>182,255</u>	<u>942,005</u>	<u>526,613</u>	<u>465,488</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
323,491	137,798	4,464	3,682,424	2,683	182,255	942,005	526,613	465,488	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>323,491</u>	<u>137,798</u>	<u>4,464</u>	<u>3,682,424</u>	<u>2,683</u>	<u>182,255</u>	<u>942,005</u>	<u>526,613</u>	<u>465,488</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	23
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</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, 2014

	Special Revenue Funds						
	WIA Service Center Operations (2767)	WIA Gold Standard Evaluation (2788)	Reemploy- ment Services EUC (2789)	United Way Summer Youth (2790)	Skilled Trades Training (2792)	Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	27,956	-	40,042	-	-	41,850	-
State	-	-	-	-	32,392	151,744	-
Local	-	-	-	50,000	-	503	38,000
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	<u>27,956</u>	<u>-</u>	<u>40,042</u>	<u>50,000</u>	<u>32,392</u>	<u>194,097</u>	<u>38,000</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	63,069
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	226,133	-
Health	-	-	-	-	-	-	-
Welfare	27,956	16,416	40,042	51,463	32,392	-	-
Cultural	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>27,956</u>	<u>16,416</u>	<u>40,042</u>	<u>51,463</u>	<u>32,392</u>	<u>226,133</u>	<u>63,069</u>
Revenues over (under) expenditures	<u>-</u>	<u>(16,416)</u>	<u>-</u>	<u>(1,463)</u>	<u>-</u>	<u>(32,036)</u>	<u>(25,069)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	32,036	-
Transfers out	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,036</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(16,416)</u>	<u>-</u>	<u>(1,463)</u>	<u>-</u>	<u>-</u>	<u>(25,069)</u>
Fund balances, beginning of year	-	36,630	-	1,463	-	1,058	33,648
Fund balances, end of year	<u>\$ -</u>	<u>\$ 20,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,058</u>	<u>\$ 8,579</u>

Special Revenue Funds

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)	Quality of Victim Restitution (2980)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 306,856	\$ -	\$ -	\$ -
-	-	-	-	29,386	-	-	-	-
-	-	11,619	-	3,480,370	-	53,265	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	981
4,315	-	-	-	-	703	-	1,216	336
-	-	-	-	-	4,167	-	417,645	-
-	-	-	-	327,277	4,000	-	-	-
4,315	-	11,619	-	3,837,033	315,726	53,265	418,861	1,317
95,334	-	-	-	-	-	-	-	7,300
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	4,365	7,746,075	-	-	422,397	-
-	-	-	-	-	334,729	41,026	-	-
-	-	11,819	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
95,334	-	11,819	4,365	7,746,075	334,729	41,026	422,397	7,300
(91,019)	-	(200)	(4,365)	(3,909,042)	(19,003)	12,239	(3,536)	(5,983)
-	-	200	4,365	3,909,042	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	200	4,365	3,909,042	-	-	-	-
(91,019)	-	-	-	-	(19,003)	12,239	(3,536)	(5,983)
137,958	3,549	-	-	-	51,147	864	88,699	38,998
\$ 46,939	\$ 3,549	\$ -	\$ -	\$ -	\$ 32,144	\$ 13,103	\$ 85,163	\$ 33,015

continued...

COUNTY OF MUSKEGON, MICHIGAN

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Governmental Funds

For the Year Ended September 30, 2014

	Debt Service Funds				Capital Projects Funds	
	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)	Jail & Juvenile Transition Center (3660)	CMH Apple Building (4140)	Heritage Landing Development (4180)
<b>REVENUES</b>						
Taxes	\$ 1,251,138	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	11,105	278	838	38,884	-	-
Rentals	-	-	507,228	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>1,262,243</u>	<u>278</u>	<u>508,066</u>	<u>38,884</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	4,192	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	3,089	-	-	-
Welfare	-	-	-	-	-	-
Cultural	2,626	-	-	-	-	-
Recreation	-	-	-	-	-	-
Debt service:						
Principal	1,145,000	400,000	175,000	-	-	-
Interest and fiscal charges	118,350	117,599	335,756	918,033	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>1,265,976</u>	<u>521,791</u>	<u>513,845</u>	<u>918,033</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(3,733)</u>	<u>(521,513)</u>	<u>(5,779)</u>	<u>(879,149)</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	521,513	-	4,610,684	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>521,513</u>	<u>-</u>	<u>4,610,684</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(3,733)</u>	<u>-</u>	<u>(5,779)</u>	<u>3,731,535</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	456,853	-	140,661	-	8	67,741
Fund balances, end of year	<u>\$ 453,120</u>	<u>\$ -</u>	<u>\$ 134,882</u>	<u>\$ 3,731,535</u>	<u>\$ 8</u>	<u>\$ 67,741</u>

Capital Projects Funds		Permanent Funds	
Public Improvement (4930)	Capital Improvement (4960)	Cemetery Trust (1500)	Total
\$ -	\$ -	\$ -	\$ 3,212,976
-	-	-	8,930,032
-	-	-	6,160,669
-	-	-	269,422
-	-	-	2,532,258
-	-	-	4,410
-	-	122	76,543
12,500	-	-	956,623
-	-	-	897,600
<u>12,500</u>	<u>-</u>	<u>122</u>	<u>23,040,533</u>
-	-	265	1,192,162
-	-	-	398,364
-	-	-	1,612,438
-	-	-	16,051,419
-	-	-	7,349,436
-	-	-	75,365
-	-	-	676,618
25,000	-	-	1,745,000
-	-	-	1,489,738
217	-	-	461,771
<u>25,217</u>	<u>-</u>	<u>265</u>	<u>31,052,311</u>
<u>(12,717)</u>	<u>-</u>	<u>(143)</u>	<u>(8,011,778)</u>
6,096	-	-	11,698,727
-	-	-	(329,272)
-	-	-	17,850
<u>6,096</u>	<u>-</u>	<u>-</u>	<u>11,387,305</u>
(6,621)	-	(143)	3,375,527
<u>581,621</u>	<u>300,000</u>	<u>37,233</u>	<u>4,845,095</u>
<u>\$ 575,000</u>	<u>\$ 300,000</u>	<u>\$ 37,090</u>	<u>\$ 8,220,622</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual  
 Nonmajor Special Revenue Funds  
 For the Year Ended September 30, 2014

	Sobriety Court (1170)			Emergency Services (1190)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	45,000	45,000	-	63,535	250,456	186,921
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	95,000	92,011	(2,989)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	2,300	-	(2,300)
Total revenues	<u>140,000</u>	<u>137,011</u>	<u>(2,989)</u>	<u>65,835</u>	<u>250,456</u>	<u>184,621</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	353,472	345,264	(8,208)	-	-	-
Public safety	-	-	-	225,882	243,461	17,579
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	17,761	204,784	187,023
Total expenditures	<u>353,472</u>	<u>345,264</u>	<u>(8,208)</u>	<u>243,643</u>	<u>448,245</u>	<u>204,602</u>
Revenues over (under) expenditures	<u>(213,472)</u>	<u>(208,253)</u>	<u>5,219</u>	<u>(177,808)</u>	<u>(197,789)</u>	<u>(19,981)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	213,472	207,953	(5,519)	168,411	189,105	20,694
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	300	300	450	450	-
Total other financing sources (uses)	<u>213,472</u>	<u>208,253</u>	<u>(5,219)</u>	<u>168,861</u>	<u>189,555</u>	<u>20,694</u>
Net change in fund balances	-	-	-	(8,947)	(8,234)	713
Fund balances, beginning of year	-	-	-	10,180	10,180	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,233</u>	<u>\$ 1,946</u>	<u>\$ 713</u>

Marine Safety (1200)			Port Security (1201)			Highway Safety Programs (1210)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	272,165	333,966	61,801	67,999	59,854	(8,145)
81,900	80,060	(1,840)	-	-	-	147,870	147,870	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
81,900	80,060	(1,840)	272,165	333,966	61,801	215,869	207,724	(8,145)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
150,570	145,667	(4,903)	108,254	106,961	(1,293)	294,598	296,935	2,337
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	172,540	235,634	63,094	-	-	-
150,570	145,667	(4,903)	280,794	342,595	61,801	294,598	296,935	2,337
(68,670)	(65,607)	3,063	(8,629)	(8,629)	-	(78,729)	(89,211)	(10,482)
68,670	57,951	(10,719)	-	-	-	78,729	89,211	10,482
-	-	-	-	-	-	-	-	-
-	5,496	5,496	8,629	11,604	2,975	-	-	-
68,670	63,447	(5,223)	8,629	11,604	2,975	78,729	89,211	10,482
-	(2,160)	(2,160)	-	2,975	2,975	-	-	-
17,724	17,724	-	-	-	-	-	-	-
\$ 17,724	\$ 15,564	\$ (2,160)	\$ -	\$ 2,975	\$ 2,975	\$ -	\$ -	\$ -

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, 2014

	Township Patrols (1240)			Park Fund (2080)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	117,930	104,384	(13,546)	1,400	1,400	-
Charges for services	-	-	-	707,577	671,203	(36,374)
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	582	1,117	535
Rentals	-	-	-	-	-	-
Other	-	-	-	-	2,717	2,717
Total revenues	<u>117,930</u>	<u>104,384</u>	<u>(13,546)</u>	<u>709,559</u>	<u>676,437</u>	<u>(33,122)</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	235,860	224,524	(11,336)	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	702,811	676,618	(26,193)
Capital outlay	-	-	-	617	-	(617)
Total expenditures	<u>235,860</u>	<u>224,524</u>	<u>(11,336)</u>	<u>703,428</u>	<u>676,618</u>	<u>(26,810)</u>
Revenues over (under) expenditures	<u>(117,930)</u>	<u>(120,140)</u>	<u>(2,210)</u>	<u>6,131</u>	<u>(181)</u>	<u>(6,312)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	117,930	120,140	2,210	-	-	-
Transfers out	-	-	-	(54,404)	(48,886)	(5,518)
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>117,930</u>	<u>120,140</u>	<u>2,210</u>	<u>(54,404)</u>	<u>(48,886)</u>	<u>(5,518)</u>
Net change in fund balances	-	-	-	(48,273)	(49,067)	794
Fund balances, beginning of year	-	-	-	242,555	242,555	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,282</u>	<u>\$ 193,488</u>	<u>\$ 794</u>

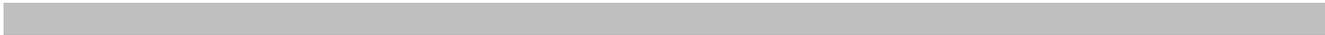
Access & Visitation (2151)			SSSPP Grant (2153)			Court Innovation Grant (2154)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,490	3,100	(3,390)	-	-	-	-	-	-
-	-	-	360,926	66,846	(294,080)	50,000	50,000	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>6,490</u>	<u>3,100</u>	<u>(3,390)</u>	<u>360,926</u>	<u>66,846</u>	<u>(294,080)</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
6,490	3,100	(3,390)	-	-	-	50,000	50,000	-
-	-	-	360,926	66,846	(294,080)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>6,490</u>	<u>3,100</u>	<u>(3,390)</u>	<u>360,926</u>	<u>66,846</u>	<u>(294,080)</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
30	30	-	-	-	-	-	-	-
<u>\$ 30</u>	<u>\$ 30</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, 2014

	Health Department (2210)			Lead Hazard Grant (2212)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>REVENUES</b>						
Taxes	\$ 463,341	\$ 558,949	\$ 95,608	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	1,582,153	1,819,809	237,656	590,508	357,675	(232,833)
State	1,280,471	1,136,656	(143,815)	-	-	-
Local	-	749	749	74,830	74,386	(444)
Charges for services	1,722,580	1,528,637	(193,943)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	1,500	2,294	794	-	-	-
Rentals	-	-	-	-	-	-
Other	326,841	331,495	4,654	29,595	-	(29,595)
Total revenues	<u>5,376,886</u>	<u>5,378,589</u>	<u>1,703</u>	<u>694,933</u>	<u>432,061</u>	<u>(262,872)</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	7,254,625	7,353,255	98,630	694,933	432,061	(262,872)
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>7,254,625</u>	<u>7,353,255</u>	<u>98,630</u>	<u>694,933</u>	<u>432,061</u>	<u>(262,872)</u>
Revenues over (under) expenditures	<u>(1,877,739)</u>	<u>(1,974,666)</u>	<u>(96,927)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,818,732	1,770,859	(47,873)	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,818,732</u>	<u>1,770,859</u>	<u>(47,873)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(59,007)</u>	<u>(203,807)</u>	<u>(144,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	809,638	809,638	-	-	-	-
Fund balances, end of year	<u>\$ 750,631</u>	<u>\$ 605,831</u>	<u>\$ (144,800)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Community Hub (2216)			Sustainability Grant (2261)			NOAA Habitat Conservation Grant (2271)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112,384	112,383	(1)	-	-	-	381,100	4,860	(376,240)
-	-	-	15,000	11,349	(3,651)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>112,384</u>	<u>112,383</u>	<u>(1)</u>	<u>15,000</u>	<u>11,349</u>	<u>(3,651)</u>	<u>381,100</u>	<u>4,860</u>	<u>(376,240)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
85,324	85,317	(7)	-	-	-	381,100	4,860	(376,240)
-	-	-	15,000	11,349	(3,651)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>85,324</u>	<u>85,317</u>	<u>(7)</u>	<u>15,000</u>	<u>11,349</u>	<u>(3,651)</u>	<u>381,100</u>	<u>4,860</u>	<u>(376,240)</u>
<u>27,060</u>	<u>27,066</u>	<u>6</u>	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(46,844)	(46,850)	6	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>(46,844)</u>	<u>(46,850)</u>	<u>6</u>	-	-	-	-	-	-
<u>(19,784)</u>	<u>(19,784)</u>	-	-	-	-	-	-	-
<u>19,784</u>	<u>19,784</u>	-	-	-	-	<u>6</u>	<u>6</u>	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 6</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, 2014

	Accommodations Tax (2300)			Parks Development (2411)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>REVENUES</b>						
Taxes	\$ 1,000,000	\$ 1,096,033	\$ 96,033	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	37,500	37,500	-
Local	1,000	-	(1,000)	-	-	-
Charges for services	55,000	56,713	1,713	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	3,000	4,005	1,005	-	-	-
Rentals	15,000	10,619	(4,381)	-	-	-
Other	-	256	256	-	-	-
Total revenues	<u>1,074,000</u>	<u>1,167,626</u>	<u>93,626</u>	<u>37,500</u>	<u>37,500</u>	<u>-</u>
<b>EXPENDITURES</b>						
Current:						
General government	897,916	892,948	(4,968)	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	66,437	60,920	(5,517)
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>897,916</u>	<u>892,948</u>	<u>(4,968)</u>	<u>66,437</u>	<u>60,920</u>	<u>(5,517)</u>
Revenues over (under) expenditures	<u>176,084</u>	<u>274,678</u>	<u>98,594</u>	<u>(28,937)</u>	<u>(23,420)</u>	<u>5,517</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	22,492	22,492	28,937	23,420	(5,517)
Transfers out	(233,536)	(233,536)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>(233,536)</u>	<u>(211,044)</u>	<u>22,492</u>	<u>28,937</u>	<u>23,420</u>	<u>(5,517)</u>
Net change in fund balances	<u>(57,452)</u>	<u>63,634</u>	<u>121,086</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	596,820	596,820	-	-	-	-
Fund balances, end of year	<u>\$ 539,368</u>	<u>\$ 660,454</u>	<u>\$ 121,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CDBG Housing Grant (2470)			Neighborhood Stabilization Grant (2471)			Deed Automation Fund (2560)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
236,000	222,292	(13,708)	201,100	86,537	(114,563)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	170,000	162,013	(7,987)
-	-	-	-	-	-	-	-	-
-	32	32	-	299	299	7,800	10,999	3,199
-	-	-	-	-	-	-	-	-
15,000	11,999	(3,001)	200,000	186,411	(13,589)	-	-	-
<u>251,000</u>	<u>234,323</u>	<u>(16,677)</u>	<u>401,100</u>	<u>273,247</u>	<u>(127,853)</u>	<u>177,800</u>	<u>173,012</u>	<u>(4,788)</u>
-	-	-	-	-	-	231,607	129,054	(102,553)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
251,000	234,323	(16,677)	415,080	273,247	(141,833)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	115,000	21,136	(93,864)
<u>251,000</u>	<u>234,323</u>	<u>(16,677)</u>	<u>415,080</u>	<u>273,247</u>	<u>(141,833)</u>	<u>346,607</u>	<u>150,190</u>	<u>(196,417)</u>
-	-	-	(13,980)	-	13,980	(168,807)	22,822	191,629
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	(13,980)	-	13,980	(168,807)	22,822	191,629
-	-	-	13,980	13,980	-	1,153,684	1,153,684	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,980</u>	<u>\$ 13,980</u>	<u>\$ 984,877</u>	<u>\$ 1,176,506</u>	<u>\$ 191,629</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, 2014

	Community Corrections (2640)			TNT Drug (2671)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	157,747	157,280	(467)	-	-	-
Local	-	-	-	-	-	-
Charges for services	10,700	10,700	-	-	-	-
Fines and forfeitures	-	-	-	857	4,410	3,553
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>168,447</u>	<u>167,980</u>	<u>(467)</u>	<u>857</u>	<u>4,410</u>	<u>3,553</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	310,679	301,640	(9,039)	173	173	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>310,679</u>	<u>301,640</u>	<u>(9,039)</u>	<u>173</u>	<u>173</u>	<u>-</u>
Revenues over (under) expenditures	<u>(142,232)</u>	<u>(133,660)</u>	<u>8,572</u>	<u>684</u>	<u>4,237</u>	<u>3,553</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	142,232	133,660	(8,572)	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>142,232</u>	<u>133,660</u>	<u>(8,572)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	684	4,237	3,553
Fund balances, beginning of year	-	-	-	697	697	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,381</u>	<u>\$ 4,934</u>	<u>\$ 3,553</u>

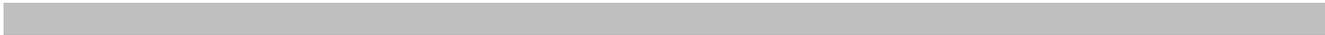
Prosecutor Drug (2672)			Testing Services (2721)			Wagner Peyser (2731)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	324,000	303,542	(20,458)
-	-	-	-	-	-	-	-	-
-	-	-	10,000	10,000	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	11,250	9,272	(1,978)	16,000	19,949	3,949
-	-	-	21,250	19,272	(1,978)	340,000	323,491	(16,509)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
98	98	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	21,250	19,272	(1,978)	340,000	323,491	(16,509)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
98	98	-	21,250	19,272	(1,978)	340,000	323,491	(16,509)
(98)	(98)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(98)	(98)	-	-	-	-	-	-	-
1,843	1,843	-	-	-	-	-	-	-
\$ 1,745	\$ 1,745	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2014

	Trade Adjustment Assistance (2733)			DET Cost Pool (2739)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	176,000	137,798	(38,202)	-	-	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	5,100	4,464	(636)
Other	-	-	-	-	-	-
Total revenues	<u>176,000</u>	<u>137,798</u>	<u>(38,202)</u>	<u>5,100</u>	<u>4,464</u>	<u>(636)</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	176,000	137,798	(38,202)	5,100	4,464	(636)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>176,000</u>	<u>137,798</u>	<u>(38,202)</u>	<u>5,100</u>	<u>4,464</u>	<u>(636)</u>
Revenues over (under) expenditures	-	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Jobs Education & Training (2751)			Food Assistance Employment & Training (2759)			WIA Admin Pool (2760)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,938,706	2,938,706	-	9,400	2,683	(6,717)	225,000	182,255	(42,745)
744,423	743,718	(705)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,683,129</u>	<u>3,682,424</u>	<u>(705)</u>	<u>9,400</u>	<u>2,683</u>	<u>(6,717)</u>	<u>225,000</u>	<u>182,255</u>	<u>(42,745)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,683,129	3,682,424	(705)	9,400	2,683	(6,717)	225,000	182,255	(42,745)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,683,129</u>	<u>3,682,424</u>	<u>(705)</u>	<u>9,400</u>	<u>2,683</u>	<u>(6,717)</u>	<u>225,000</u>	<u>182,255</u>	<u>(42,745)</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, 2014

	WIA Adult Program (2761)			WIA Youth Programs (2762)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	985,000	942,005	(42,995)	536,250	522,389	(13,861)
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	5,000	4,224	(776)
Total revenues	<u>985,000</u>	<u>942,005</u>	<u>(42,995)</u>	<u>541,250</u>	<u>526,613</u>	<u>(14,637)</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	985,000	942,005	(42,995)	541,250	526,613	(14,637)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>985,000</u>	<u>942,005</u>	<u>(42,995)</u>	<u>541,250</u>	<u>526,613</u>	<u>(14,637)</u>
Revenues over (under) expenditures	-	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WIA Dislocated Worker Program (2763)			Strategic Planning (2765)			WIA Service Center Operations (2767)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
500,000	465,488	(34,512)	-	-	-	28,000	27,956	(44)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
500,000	465,488	(34,512)	-	-	-	28,000	27,956	(44)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
500,000	465,488	(34,512)	-	-	-	28,000	27,956	(44)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	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, 2014

	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
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	40,400	40,042	(358)
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,400</u>	<u>40,042</u>	<u>(358)</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	17,900	16,416	(1,484)	40,400	40,042	(358)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>17,900</u>	<u>16,416</u>	<u>(1,484)</u>	<u>40,400</u>	<u>40,042</u>	<u>(358)</u>
Revenues over (under) expenditures	<u>(17,900)</u>	<u>(16,416)</u>	<u>1,484</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(17,900)</u>	<u>(16,416)</u>	<u>1,484</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	36,630	36,630	-	-	-	-
Fund balances, end of year	<u>\$ 18,730</u>	<u>\$ 20,214</u>	<u>\$ 1,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

United Way Summer Youth (2790)			Skilled Trades Training (2792)			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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	34,000	-	(34,000)	42,180	41,850	(330)
-	-	-	-	32,392	32,392	151,835	151,744	(91)
50,000	50,000	-	-	-	-	500	503	3
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
50,000	50,000	-	34,000	32,392	(1,608)	194,515	194,097	(418)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	225,781	226,133	352
-	-	-	-	-	-	-	-	-
51,450	51,463	13	34,000	32,392	(1,608)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
51,450	51,463	13	34,000	32,392	(1,608)	225,781	226,133	352
(1,450)	(1,463)	(13)	-	-	-	(31,266)	(32,036)	(770)
-	-	-	-	-	-	31,266	32,036	770
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	31,266	32,036	770
(1,450)	(1,463)	(13)	-	-	-	-	-	-
1,463	1,463	-	-	-	-	1,058	1,058	-
\$ 13	\$ -	\$ (13)	\$ -	\$ -	\$ -	\$ 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, 2014

	Muskegon Area Stormwater Committee (2823)			EDC Loan Revolving (2860)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	38,000	38,000	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	4,315	4,315
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>38,000</u>	<u>38,000</u>	<u>-</u>	<u>-</u>	<u>4,315</u>	<u>4,315</u>
<b>EXPENDITURES</b>						
Current:						
General government	45,000	63,069	18,069	132,960	95,334	(37,626)
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>45,000</u>	<u>63,069</u>	<u>18,069</u>	<u>132,960</u>	<u>95,334</u>	<u>(37,626)</u>
Revenues over (under) expenditures	<u>(7,000)</u>	<u>(25,069)</u>	<u>(18,069)</u>	<u>(132,960)</u>	<u>(91,019)</u>	<u>41,941</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(7,000)</u>	<u>(25,069)</u>	<u>(18,069)</u>	<u>(132,960)</u>	<u>(91,019)</u>	<u>41,941</u>
Fund balances, beginning of year	33,648	33,648	-	137,958	137,958	-
Fund balances, end of year	<u>\$ 26,648</u>	<u>\$ 8,579</u>	<u>\$ (18,069)</u>	<u>\$ 4,998</u>	<u>\$ 46,939</u>	<u>\$ 41,941</u>



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, 2014

	Child Care Facility (2920)			Veteran's Care (2930)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ 305,201	\$ 306,856	\$ 1,655
Grants and contributions:						
Federal	34,500	29,386	(5,114)	-	-	-
State	3,616,619	3,480,370	(136,249)	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	1,000	703	(297)
Rentals	-	-	-	4,167	4,167	-
Other	373,000	327,277	(45,723)	4,000	4,000	-
Total revenues	<u>4,024,119</u>	<u>3,837,033</u>	<u>(187,086)</u>	<u>314,368</u>	<u>315,726</u>	<u>1,358</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	8,058,969	7,746,075	(312,894)	-	-	-
Welfare	-	-	-	314,368	334,729	20,361
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>8,058,969</u>	<u>7,746,075</u>	<u>(312,894)</u>	<u>314,368</u>	<u>334,729</u>	<u>20,361</u>
Revenues over (under) expenditures	<u>(4,034,850)</u>	<u>(3,909,042)</u>	<u>125,808</u>	<u>-</u>	<u>(19,003)</u>	<u>(19,003)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	4,034,850	3,909,042	(125,808)	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>4,034,850</u>	<u>3,909,042</u>	<u>(125,808)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	(19,003)	(19,003)
Fund balances, beginning of year	-	-	-	51,147	51,147	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,147</u>	<u>\$ 32,144</u>	<u>\$ (19,003)</u>

Veteran's Trust (2940)			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	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
40,440	53,265	12,825	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,500	981	(3,519)
-	-	-	-	-	-	-	-	-
-	-	-	600	1,216	616	300	336	36
-	-	-	417,644	417,645	1	-	-	-
-	-	-	-	-	-	-	-	-
40,440	53,265	12,825	418,244	418,861	617	4,800	1,317	(3,483)
-	-	-	-	-	-	12,000	7,300	(4,700)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	429,840	422,397	(7,443)	-	-	-
40,440	41,026	586	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
40,440	41,026	586	429,840	422,397	(7,443)	12,000	7,300	(4,700)
-	12,239	12,239	(11,596)	(3,536)	8,060	(7,200)	(5,983)	1,217
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	12,239	12,239	(11,596)	(3,536)	8,060	(7,200)	(5,983)	1,217
864	864	-	88,699	88,699	-	38,998	38,998	-
\$ 864	\$ 13,103	\$ 12,239	\$ 77,103	\$ 85,163	\$ 8,060	\$ 31,798	\$ 33,015	\$ 1,217

concluded

This page intentionally left blank.

## COUNTY OF MUSKEGON, MICHIGAN

### Nonmajor Enterprise Funds

Delinquent Tax Revolving Funds (5100)--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.

2012 Delinquent Tax Revolving Fund (5162)--accounts for money from the issuance of general obligation limited tax notes used to purchase delinquent 2012 taxes of other taxing units and various County funds. The fund also accounts for collections of delinquent taxes from the 2012 tax year plus interest and penalties to offset tax collection costs. The money collected is retained and used to repay borrowings. Surplus funds after borrowing is paid off are available for appropriation to general County operations.

2013 Delinquent Tax Revolving Fund (5163)--accounts for money from the issuance of general obligation limited tax notes used to purchase delinquent 2013 taxes of other taxing units and various County funds. The fund also accounts for collections of delinquent taxes from the 2013 tax year plus interest and penalties to offset tax collection costs. The money collected is retained and used to repay borrowings. Surplus funds after borrowing is paid off are available for appropriation to general County operations.

2014 Delinquent Tax Revolving Fund (5164)--accounts for money from the issuance of general obligation limited tax notes used to purchase delinquent 2014 taxes of other taxing units and various County funds. The fund also accounts for collections of delinquent taxes from the 2014 tax year plus interest and penalties to offset tax collection costs. The money collected is retained and used to repay borrowings. Surplus funds after borrowing is paid off are available for appropriation to general County operations. Property tax refunds ordered by Boards of Review and the Michigan Tax Tribunal since the prior year's delinquent tax settlement are netted with the purchase of delinquent taxes at the time delinquent taxes are purchased from and settled with the taxing jurisdictions.

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 System (5880)--accounts for and provides public transportation with ten regular routes and two special routes. The sources of funds are the Michigan Department of Transportation (paying 32% of the operating costs), the Urban Mass Transportation Administration (paying 50% of the operating costs), and the local contributions (paying 18% of the operating costs).

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, 2014

	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2012 Delinquent Tax Revolving (5162)	2013 Delinquent Tax Revolving (5163)
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ -	\$ 480,704	\$ 3,083,107	\$ 5,214,683
Receivables, net:				
Accounts	-	158,574	-	-
Due from other governments	-	-	-	-
Accrued interest	-	1,133	6,928	9,031
Taxes	385,338	-	3,530,515	7,759,926
Prepaid and other items	-	-	-	-
Inventories	-	-	-	-
Total current assets	<u>385,338</u>	<u>640,411</u>	<u>6,620,550</u>	<u>12,983,640</u>
Noncurrent assets:				
Advances to component units	-	225,000	-	-
Advances to other funds	-	-	-	-
Restricted assets	-	-	-	-
Capital assets not being depreciated	-	-	-	-
Capital assets being depreciated, net	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>225,000</u>	<u>-</u>	<u>-</u>
Total assets	<u>385,338</u>	<u>865,411</u>	<u>6,620,550</u>	<u>12,983,640</u>
<b>LIABILITIES</b>				
Current liabilities:				
Negative equity in pooled cash	257,323	-	-	-
Accounts payable	-	26,950	234	-
Accrued liabilities	-	2,442	-	5,445
Accrued interest	-	-	6,009	16,314
Unearned revenue	-	-	-	-
Current portion of accrued closure cost and sludge removal	-	-	-	-
Current portion of compensated absences	-	-	-	-
Current portion of long-term debt	-	-	4,000,986	8,007,160
Total current liabilities	<u>257,323</u>	<u>29,392</u>	<u>4,007,229</u>	<u>8,028,919</u>
Noncurrent liabilities, net of current portion:				
Accrued closure cost and sludge removal	-	-	-	-
Compensated absences	-	-	-	-
Long-term debt	-	-	-	4,000,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000,000</u>
Total liabilities	<u>257,323</u>	<u>29,392</u>	<u>4,007,229</u>	<u>12,028,919</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	-	-	-
Unrestricted	128,015	836,019	2,613,321	954,721
Total net position	<u>\$ 128,015</u>	<u>\$ 836,019</u>	<u>\$ 2,613,321</u>	<u>\$ 954,721</u>

2014 Delinquent Tax Revolving (5164)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ -	\$ 11,486,122	\$ 841,703	\$ -	\$ 199,557	\$ 21,305,876
-	249,486	-	16,763	1,165	425,988
-	11,761	-	1,033,885	-	1,045,646
-	31,621	2,430	-	498	51,641
1,423,434	-	-	-	-	13,099,213
-	28,000	-	-	-	28,000
-	11,469	-	-	-	11,469
<u>1,423,434</u>	<u>11,818,459</u>	<u>844,133</u>	<u>1,050,648</u>	<u>201,220</u>	<u>35,967,833</u>
-	-	-	-	-	225,000
-	86,973	-	-	-	86,973
-	1,957,300	130,948	-	-	2,088,248
-	909,629	-	526,702	-	1,436,331
-	4,244,991	69,055	8,051,181	-	12,365,227
-	7,198,893	200,003	8,577,883	-	16,201,779
<u>1,423,434</u>	<u>19,017,352</u>	<u>1,044,136</u>	<u>9,628,531</u>	<u>201,220</u>	<u>52,169,612</u>
1,402,642	-	-	421,036	-	2,081,001
20,767	35,067	-	341,514	4,221	428,753
-	45,795	1,529	74,369	988	130,568
-	-	-	-	-	22,323
-	-	-	-	400	400
-	164,597	20,000	-	-	184,597
-	23,425	245	23,444	-	47,114
-	-	-	-	-	12,008,146
<u>1,423,409</u>	<u>268,884</u>	<u>21,774</u>	<u>860,363</u>	<u>5,609</u>	<u>14,902,902</u>
-	10,586,029	938,765	-	-	11,524,794
-	165,163	1,725	165,297	-	332,185
-	-	-	-	-	4,000,000
-	10,751,192	940,490	165,297	-	15,856,979
<u>1,423,409</u>	<u>11,020,076</u>	<u>962,264</u>	<u>1,025,660</u>	<u>5,609</u>	<u>30,759,881</u>
-	5,154,620	69,055	8,577,883	-	13,801,558
25	2,842,656	12,817	24,988	195,611	7,608,173
<u>\$ 25</u>	<u>\$ 7,997,276</u>	<u>\$ 81,872</u>	<u>\$ 8,602,871</u>	<u>\$ 195,611</u>	<u>\$ 21,409,731</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, 2014

	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2012 Delinquent Tax Revolung (5162)	2013 Delinquent Tax Revolung (5163)
Operating revenues:				
Charges for services	\$ -	\$ 654,713	\$ 101,933	\$ 15
Interest and penalties	62,856	-	1,177,721	1,205,084
Rentals	-	-	-	-
Other revenues	-	-	-	-
Total operating revenues	<u>62,856</u>	<u>654,713</u>	<u>1,279,654</u>	<u>1,205,099</u>
Operating expenses:				
Salaries and fringes	-	81,021	-	174,437
Supplies and other operating expenses	1,203	332,310	10,315	72,765
Depreciation	-	-	-	-
Total operating expenses	<u>1,203</u>	<u>413,331</u>	<u>10,315</u>	<u>247,202</u>
Operating income (loss)	<u>61,653</u>	<u>241,382</u>	<u>1,269,339</u>	<u>957,897</u>
Nonoperating revenues (expense):				
Grants and contributions:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Interest income	-	2,931	35,185	13,138
Interest expense	-	-	(32,843)	(16,314)
Gain on sale of capital assets	-	-	-	-
Total nonoperating revenues (expense)	<u>-</u>	<u>2,931</u>	<u>2,342</u>	<u>(3,176)</u>
Income (loss) before capital contributions and transfers	<u>61,653</u>	<u>244,313</u>	<u>1,271,681</u>	<u>954,721</u>
Capital contributions - federal	-	-	-	-
Capital contributions - state	-	-	-	-
Transfers in	-	-	24,034	-
Transfers out	(50,000)	-	(2,897,464)	-
Change in net position	<u>11,653</u>	<u>244,313</u>	<u>(1,601,749)</u>	<u>954,721</u>
Net position, beginning of year	116,362	591,706	4,215,070	-
Net position, end of year	<u>\$ 128,015</u>	<u>\$ 836,019</u>	<u>\$ 2,613,321</u>	<u>\$ 954,721</u>

2014 Delinquent Tax Revolving (5164)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ -	\$ 2,667,471	\$ -	\$ 597,700	\$ 66,311	\$ 4,088,143
25 -	-	-	-	-	2,445,686
-	11,623	-	-	-	11,623
-	1,456	-	16,846	-	18,302
25	2,680,550	-	614,546	66,311	6,563,754
-	981,899	62,072	2,696,790	29,266	4,025,485
-	1,143,350	(57,598)	1,586,117	23,967	3,112,429
-	626,571	3,783	693,136	3,375	1,326,865
-	2,751,820	8,257	4,976,043	56,608	8,464,779
25	(71,270)	(8,257)	(4,361,497)	9,703	(1,901,025)
-	-	-	188,835	-	188,835
-	-	-	1,285,676	-	1,285,676
-	-	-	137,792	-	137,792
-	106,609	8,185	88	1,666	167,802
-	-	-	-	-	(49,157)
-	99,193	-	4,300	-	103,493
-	205,802	8,185	1,616,691	1,666	1,834,441
25	134,532	(72)	(2,744,806)	11,369	(66,584)
-	-	-	3,591,085	-	3,591,085
-	-	-	2,571	-	2,571
-	25,466	-	-	-	49,500
-	-	-	-	-	(2,947,464)
25	159,998	(72)	848,850	11,369	629,108
-	7,837,278	81,944	7,754,021	184,242	20,780,623
\$ 25	\$ 7,997,276	\$ 81,872	\$ 8,602,871	\$ 195,611	\$ 21,409,731

# COUNTY OF MUSKEGON, MICHIGAN

## Combining Statement of Cash Flows Nonmajor Enterprise Funds For the Year Ended September 30, 2014

	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2012 Delinquent Tax Revolung (5162)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 51,203	\$ 530,143	\$ 11,591,417
Payments to vendors	(1,203)	(305,360)	(10,777)
Payments for personnel services	-	(80,672)	(5,534)
Delinquent taxes purchased	-	-	-
Net cash provided by (used in) operating activities	<u>50,000</u>	<u>144,111</u>	<u>11,575,106</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental receipts	-	25,000	-
Intergovernmental payments	(50,000)	-	(2,873,430)
Federal and/or state grants	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(50,000)</u>	<u>25,000</u>	<u>(2,873,430)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from issuance of long-term debt	-	-	-
Premium on issuance of long-term debt	-	-	-
Principal paid on long-term debt	-	-	(12,000,000)
Interest paid on long-term debt	-	-	(69,306)
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>(12,069,306)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	-	2,931	35,185
Net increase (decrease) in cash and investments	-	172,042	(3,332,445)
Cash and investments, beginning of year	-	308,662	6,415,552
Cash and investments, end of year	<u>\$ -</u>	<u>\$ 480,704</u>	<u>\$ 3,083,107</u>

2013 Delinquent Tax Revolving (5163)	2014 Delinquent Tax Revolving (5164)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ 6,500,822	\$ -	\$ 2,623,151	\$ -	\$ 601,563	\$ 66,527	\$ 21,964,826
(72,765)	-	(867,083)	(6,720)	(1,245,597)	(22,449)	(2,531,954)
(168,992)	-	(928,258)	(58,573)	(2,685,445)	(28,934)	(3,956,408)
(13,064,680)	-	-	-	-	-	(13,064,680)
<u>(6,805,615)</u>	<u>-</u>	<u>827,810</u>	<u>(65,293)</u>	<u>(3,329,479)</u>	<u>15,144</u>	<u>2,411,784</u>
-	-	33,653	-	-	-	58,653
-	-	-	-	-	-	(2,923,430)
-	-	-	-	1,407,694	-	1,407,694
<u>-</u>	<u>-</u>	<u>33,653</u>	<u>-</u>	<u>1,407,694</u>	<u>-</u>	<u>(1,457,083)</u>
12,000,000	-	-	-	-	-	12,000,000
7,160	-	-	-	-	-	7,160
-	-	-	-	-	-	(12,000,000)
-	-	-	-	-	-	(69,306)
-	-	-	-	3,593,656	-	3,593,656
-	-	175,000	-	4,300	-	179,300
-	-	(539,140)	-	(1,676,259)	-	(2,215,399)
<u>12,007,160</u>	<u>-</u>	<u>(364,140)</u>	<u>-</u>	<u>1,921,697</u>	<u>-</u>	<u>1,495,411</u>
13,138	-	106,609	8,185	88	1,666	167,802
5,214,683	-	603,932	(57,108)	-	16,810	2,617,914
-	-	10,882,190	898,811	-	182,747	18,687,962
<u>\$ 5,214,683</u>	<u>\$ -</u>	<u>\$ 11,486,122</u>	<u>\$ 841,703</u>	<u>\$ -</u>	<u>\$ 199,557</u>	<u>\$ 21,305,876</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows  
 Nonmajor Enterprise Funds  
 For the Year Ended September 30, 2014

	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2012 Delinquent Tax Revolung (5162)
Reconciliation of operating income (loss) to net cash provided by (used in) by operating activities:			
Operating income (loss)	\$ 61,653	\$ 241,382	\$ 1,269,339
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	-
Changes in assets and liabilities:			
Accounts receivable	-	(123,684)	-
Due from other governments	-	-	-
Accrued interest receivable	1	(886)	22,262
Taxes receivable	538,062	-	10,289,501
Prepaid and other items	-	-	-
Inventories	-	-	-
Restricted assets	-	-	-
Negative equity in pooled cash	(549,716)	-	-
Accounts payable	-	26,950	(280)
Accrued liabilities	-	349	(5,716)
Unearned revenue	-	-	-
Accrued closure cost and sludge removal	-	-	-
Accrued compensated absences	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 50,000</u>	<u>\$ 144,111</u>	<u>\$ 11,575,106</u>

2013 Delinquent Tax Revolving (5163)	2014 Delinquent Tax Revolving (5164)	Solid Waste (5710)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
\$ 957,897	\$ 25	\$ (71,270)	\$ (8,257)	\$ (4,361,497)	\$ 9,703	\$ (1,901,025)
-	-	626,571	3,783	693,136	3,375	1,326,865
-	-	(40,758)	-	(12,997)	413	(177,026)
-	-	(11,761)	-	-	-	(11,761)
(9,031)	-	(4,880)	(188)	14	(72)	7,220
(7,759,926)	(1,423,434)	-	-	-	-	1,644,203
-	-	(28,000)	-	-	-	(28,000)
-	-	(1,958)	-	-	-	(1,958)
-	-	(82,129)	-	-	-	(82,129)
-	1,402,642	-	-	55,488	-	908,414
-	20,767	(11,179)	-	285,032	1,518	322,808
5,445	-	21,151	1,529	6,716	332	29,806
-	-	-	-	-	(125)	(125)
-	-	399,533	(64,130)	-	-	335,403
-	-	32,490	1,970	4,629	-	39,089
<u>\$ (6,805,615)</u>	<u>\$ -</u>	<u>\$ 827,810</u>	<u>\$ (65,293)</u>	<u>\$ (3,329,479)</u>	<u>\$ 15,144</u>	<u>\$ 2,411,784</u>

concluded

This page intentionally left blank.

# 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 designed to be self-sustaining with depreciation expense and revenues from rents charged back to benefiting departments over the useful life of the energy efficiency improvements.

Equipment Revolving (6660)--is used to record the operations of a capital equipment pool that finances big-ticket purchases for various County departments. This fund records the value of capital assets purchased and the related depreciation expense of these items. Cash flow is obtained by advances from the General Fund and external borrowing. The equipment revolving fund is designed to be self-sustaining from rent charges billed to other funds offsetting the depreciation expense and debt service payments.

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, 2014

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 119,191	\$ 37,607	\$ 16,449
Receivable, net:			
Accounts	351	-	-
Due from other governments	3,748	-	-
Accrued interest	251	-	-
Prepays	-	-	-
Total current assets	<u>123,541</u>	<u>37,607</u>	<u>16,449</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	-	-	95,233
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>110,233</u>
Total assets	<u>123,541</u>	<u>37,607</u>	<u>126,682</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	3,202	34,102	109
Accrued liabilities	4,899	3,505	-
Due to other governments	-	-	-
Accrued interest	-	-	-
Unearned revenue	-	-	-
Current portion of compensated absences	5,706	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>13,807</u>	<u>37,607</u>	<u>109</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences	40,236	-	-
Long-term debt	-	-	-
Total noncurrent liabilities	<u>40,236</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>54,043</u>	<u>37,607</u>	<u>109</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	-	110,233
Unrestricted	69,498	-	16,340
Total net position	<u>\$ 69,498</u>	<u>\$ -</u>	<u>\$ 126,573</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
\$ 809,142	\$ 1,327,976	\$ 3,850,986	\$ 1,724,548	\$ 7,885,899
-	46	223,734	73	224,204
-	-	-	-	3,748
2,021	496	14,582	-	17,350
-	-	249,514	-	249,514
<u>811,163</u>	<u>1,328,518</u>	<u>4,338,816</u>	<u>1,724,621</u>	<u>8,380,715</u>
-	-	750,584	-	750,584
-	-	395,407	-	395,407
-	-	200,000	-	200,000
-	1,892,964	-	-	1,907,964
5,835,513	11,766,457	-	-	17,697,203
<u>5,835,513</u>	<u>13,659,421</u>	<u>1,345,991</u>	<u>-</u>	<u>20,951,158</u>
<u>6,646,676</u>	<u>14,987,939</u>	<u>5,684,807</u>	<u>1,724,621</u>	<u>29,331,873</u>
-	184,674	862,039	-	1,084,126
-	-	3,369,736	-	3,378,140
-	-	117,964	1,724,621	1,842,585
187,464	3,297	-	-	190,761
-	-	17,377	-	17,377
-	-	-	-	5,706
200,000	835,255	-	-	1,035,255
<u>387,464</u>	<u>1,023,226</u>	<u>4,367,116</u>	<u>1,724,621</u>	<u>7,553,950</u>
-	2,154,091	-	-	2,154,091
-	-	-	-	40,236
6,255,000	6,434,344	-	-	12,689,344
<u>6,255,000</u>	<u>8,588,435</u>	<u>-</u>	<u>-</u>	<u>14,883,671</u>
<u>6,642,464</u>	<u>9,611,661</u>	<u>4,367,116</u>	<u>1,724,621</u>	<u>22,437,621</u>
(619,487)	6,389,822	-	-	5,880,568
623,699	(1,013,544)	1,317,691	-	1,013,684
<u>\$ 4,212</u>	<u>\$ 5,376,278</u>	<u>\$ 1,317,691</u>	<u>\$ -</u>	<u>\$ 6,894,252</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, 2014

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Operating revenues:			
Premiums	\$ -	\$ -	\$ -
Rentals	-	797,906	2,421
Other revenues	522,489	-	-
Total operating revenues	<u>522,489</u>	<u>797,906</u>	<u>2,421</u>
Operating expenses:			
Salaries and fringes	130,737	169,139	-
Supplies and other operating expenses	378,936	628,403	2,421
Insurance benefits and claims	-	-	-
Insurance premiums	-	364	-
Depreciation	-	-	9,225
Total operating expenses	<u>509,673</u>	<u>797,906</u>	<u>11,646</u>
Operating income (loss)	<u>12,816</u>	<u>-</u>	<u>(9,225)</u>
Nonoperating revenues (expense):			
Interest income	806	-	-
Interest expense	-	-	-
Gain on sale of capital assets	-	-	-
Total nonoperating revenues (expenses)	<u>806</u>	<u>-</u>	<u>-</u>
Income (loss) before capital contributions and special item	13,622	-	(9,225)
Capital contributions - federal	-	-	-
Special item (Note 19)	-	-	-
Change in net position	<u>13,622</u>	<u>-</u>	<u>(9,225)</u>
Net position, beginning of year	55,876	-	135,798
Net position, end of year	<u>\$ 69,498</u>	<u>\$ -</u>	<u>\$ 126,573</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
\$ -	\$ -	\$ 16,324,225	\$ -	\$ 16,324,225
-	782,756	-	-	1,583,083
-	345,901	2,927,658	-	3,796,048
-	1,128,657	19,251,883	-	21,703,356
-	-	914,524	-	1,214,400
17,418	515,512	179,396	3,886	1,725,972
-	-	894,214	-	894,214
-	-	20,500,131	-	20,500,495
389,013	1,409,114	-	-	1,807,352
406,431	1,924,626	22,488,265	3,886	26,142,433
(406,431)	(795,969)	(3,236,382)	(3,886)	(4,439,077)
448,221	1,194	878,393	1,181	1,329,795
(451,076)	(32,879)	-	-	(483,955)
-	18,596	-	-	18,596
(2,855)	(13,089)	878,393	1,181	864,436
(409,286)	(809,058)	(2,357,989)	(2,705)	(3,574,641)
338,739	-	-	-	338,739
-	-	-	(3,504,402)	(3,504,402)
(70,547)	(809,058)	(2,357,989)	(3,507,107)	(6,740,304)
74,759	6,185,336	3,675,680	3,507,107	13,634,556
\$ 4,212	\$ 5,376,278	\$ 1,317,691	\$ -	\$ 6,894,252

COUNTY OF MUSKEGON, MICHIGAN

**Combining Statement of Cash Flows**

Internal Service Funds

For the Year Ended September 30, 2014

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 521,587	\$ 797,906	\$ 2,421
Payments to vendors	(389,501)	(628,444)	(2,409)
Payments for personnel services	(133,425)	(169,645)	-
Net cash provided by (used in) operating activities	<u>(1,339)</u>	<u>(183)</u>	<u>12</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Special item (Note 19)	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from issuance of long-term debt	-	-	-
Premium from issuance of long-term debt	-	-	-
Principal payments on long-term debt	-	-	-
Interest paid on long-term debt	-	-	-
Capital contributions received	-	-	-
Payments of borrowing from cash pool, net	-	-	-
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	806	-	-
Net increase (decrease) in cash and investments	(533)	(183)	12
Cash and investments, beginning of year	119,724	37,790	16,437
Cash and investments, end of year	<u>\$ 119,191</u>	<u>\$ 37,607</u>	<u>\$ 16,449</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 12,816	\$ -	\$ (9,225)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	9,225
Changes in assets and liabilities:			
Accounts receivable	2,896	-	-
Due from other governments	(3,748)	-	-
Accrued interest receivable	(50)	-	-
Prepays	-	-	-
Deposits held with others	-	-	-
Accounts payable	(10,565)	323	12
Accrued liabilities	328	(506)	-
Due to other governments	-	-	-
Unearned revenue	-	-	-
Compensated absences	(3,016)	-	-
Net cash provided by (used in) operating activities	<u>\$ (1,339)</u>	<u>\$ (183)</u>	<u>\$ 12</u>

**Noncash transactions**

The Equipment Revolving fund financed the acquisition of capital asset with noncash capital leases of \$517,523 for the year ended September 30, 2014.

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
\$ -	\$ 1,144,173	\$ 19,248,948	\$ 1,668,499	\$ 23,383,534
(17,952)	(612,876)	(21,862,032)	-	(23,513,214)
-	-	(886,475)	-	(1,189,545)
<u>(17,952)</u>	<u>531,297</u>	<u>(3,499,559)</u>	<u>1,668,499</u>	<u>(1,319,225)</u>
-	-	-	(3,504,402)	(3,504,402)
-	5,915,000	-	-	5,915,000
-	207,392	-	-	207,392
(200,000)	(738,928)	-	-	(938,928)
(456,884)	(34,971)	-	-	(491,855)
338,739	-	-	-	338,739
-	(2,942,033)	-	-	(2,942,033)
-	461,554	-	-	461,554
-	(2,072,529)	-	-	(2,072,529)
<u>(318,145)</u>	<u>795,485</u>	<u>-</u>	<u>-</u>	<u>477,340</u>
448,221	1,194	878,393	1,181	1,329,795
112,124	1,327,976	(2,621,166)	(1,834,722)	(3,016,492)
697,018	-	6,472,152	3,559,270	10,902,391
<u>\$ 809,142</u>	<u>\$ 1,327,976</u>	<u>\$ 3,850,986</u>	<u>\$ 1,724,548</u>	<u>\$ 7,885,899</u>
\$ (406,431)	\$ (795,969)	\$ (3,236,382)	\$ (3,886)	\$ (4,439,077)
389,013	1,409,114	-	-	1,807,352
-	16,002	(154)	(73)	18,671
-	-	-	-	(3,748)
(534)	(486)	4,174	-	3,104
-	-	(10,169)	-	(10,169)
-	-	7,230	-	7,230
-	(97,364)	(285,352)	-	(392,946)
-	-	44,530	-	44,352
-	-	(16,481)	1,672,458	1,655,977
-	-	(6,955)	-	(6,955)
-	-	-	-	(3,016)
<u>\$ (17,952)</u>	<u>\$ 531,297</u>	<u>\$ (3,499,559)</u>	<u>\$ 1,668,499</u>	<u>\$ (1,319,225)</u>

This page intentionally left blank.

## 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.

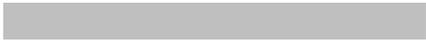
CMH Client Funds (7930)--to account for monies held in trust for clients of the County Community Mental Health department.

# COUNTY OF MUSKEGON, MICHIGAN

## Combining Statement of Fiduciary Assets and Liabilities

Agency Funds  
September 30, 2014

	Trust And Agency (7010)	Library Penal Fines Fund (7210)	Labor Management Program (7910)
<b>ASSETS</b>			
Cash and investments	\$ 7,653,639	\$ 95,604	\$ 83,235
Receivables:			
Accrued interest	-	451	242
Total assets	<u>\$ 7,653,639</u>	<u>\$ 96,055</u>	<u>\$ 83,477</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 9,305	\$ -	\$ -
Due to other governments	443,023	-	-
Undistributed current and delinquent taxes	6,623,540	-	-
Trust deposits	441,442	-	-
Accrued liabilities	-	-	447
Unallocated receipts	136,329	96,055	83,030
Total liabilities	<u>\$ 7,653,639</u>	<u>\$ 96,055</u>	<u>\$ 83,477</u>



CMH Client Funds (7930)	Total
\$ 296,429	\$ 8,128,907
-	693
<u>\$ 296,429</u>	<u>\$ 8,129,600</u>

\$ 3,276	\$ 12,581
-	443,023
-	6,623,540
-	441,442
-	447
293,153	608,567
<u>\$ 296,429</u>	<u>\$ 8,129,600</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2014

	Balance October 1, 2013	Additions	Deletions	Balance September 30, 2014
<b>Trust and Agency Fund (7010)</b>				
<b>ASSETS</b>				
Cash and investments	\$ 9,844,967	\$ 107,110,591	\$ (109,301,919)	\$ 7,653,639
Accounts receivable	11,125	4,013,727	(4,024,852)	-
Total assets	<u>\$ 9,856,092</u>	<u>\$ 111,124,318</u>	<u>\$ (113,326,771)</u>	<u>\$ 7,653,639</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 19,705	\$ 26,548,934	\$ (26,559,334)	\$ 9,305
Due to other governments	436,176	5,503,661	(5,496,814)	443,023
Undistributed current and delinquent taxes	8,965,077	51,235,387	(53,576,924)	6,623,540
Trust deposits	418,124	2,595,625	(2,572,307)	441,442
Unallocated receipts	17,010	25,240,711	(25,121,392)	136,329
Total liabilities	<u>\$ 9,856,092</u>	<u>\$ 111,124,318</u>	<u>\$ (113,326,771)</u>	<u>\$ 7,653,639</u>
<b>Library Penal Fines (7210)</b>				
<b>ASSETS</b>				
Cash and investments	\$ 91,811	\$ 347,639	\$ (343,846)	\$ 95,604
Accrued interest receivable	258	1,779	(1,586)	451
Total assets	<u>\$ 92,069</u>	<u>\$ 349,418</u>	<u>\$ (345,432)</u>	<u>\$ 96,055</u>
<b>LIABILITIES</b>				
Unallocated receipts	<u>\$ 92,069</u>	<u>\$ 349,418</u>	<u>\$ (345,432)</u>	<u>\$ 96,055</u>
<b>Labor Management Program (7910)</b>				
<b>ASSETS</b>				
Cash and investments	\$ 87,495	\$ 50,763	\$ (55,023)	\$ 83,235
Accrued interest receivable	242	687	(687)	242
Total assets	<u>\$ 87,737</u>	<u>\$ 51,450</u>	<u>\$ (55,710)</u>	<u>\$ 83,477</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 13	\$ 35,341	\$ (35,354)	\$ -
Accrued liabilities	384	449	(386)	447
Unallocated receipts	87,340	15,660	(19,970)	83,030
Total liabilities	<u>\$ 87,737</u>	<u>\$ 51,450</u>	<u>\$ (55,710)</u>	<u>\$ 83,477</u>
<b>CMH Client Funds (7930)</b>				
<b>ASSETS</b>				
Cash and investments	<u>\$ 289,086</u>	<u>\$ 3,478,728</u>	<u>\$ (3,471,385)</u>	<u>\$ 296,429</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 4,499	\$ 3,390,799	\$ (3,392,022)	\$ 3,276
Unallocated receipts	284,587	87,929	(79,363)	293,153
Total liabilities	<u>\$ 289,086</u>	<u>\$ 3,478,728</u>	<u>\$ (3,471,385)</u>	<u>\$ 296,429</u>

continued...

# COUNTY OF MUSKEGON, MICHIGAN

## Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2014

	Balance October 1, 2013	Additions	Deletions	Balance September 30, 2014
<b>Total All Agency Funds</b>				
<b>ASSETS</b>				
Cash and investments	\$ 10,313,359	\$ 110,987,721	\$ (113,172,173)	\$ 8,128,907
Accounts receivable	11,125	4,013,727	(4,024,852)	-
Accrued interest receivable	500	2,466	(2,273)	693
Total assets	<u>\$ 10,324,984</u>	<u>\$ 115,003,914</u>	<u>\$ (117,199,298)</u>	<u>\$ 8,129,600</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 24,217	\$ 29,975,074	\$ (29,986,710)	12,581
Due to other governments	436,176	5,503,661	(5,496,814)	443,023
Undistributed current and delinquent taxes	8,965,077	51,235,387	(53,576,924)	6,623,540
Trust deposits	418,124	2,595,625	(2,572,307)	441,442
Accrued liabilities	384	449	(386)	447
Unallocated receipts	481,006	25,693,718	(25,566,157)	608,567
Total liabilities	<u>\$ 10,324,984</u>	<u>\$ 115,003,914</u>	<u>\$ (117,199,298)</u>	<u>\$ 8,129,600</u>

concluded

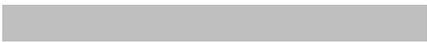
# COUNTY OF MUSKEGON, MICHIGAN

## Combining Governmental Funds Balance Sheet / Statement of Net Position

Drainage Districts Component Unit

September 30, 2014

	Governmental Funds		
	General Fund	Capital Projects	Total
<b>ASSETS</b>			
Cash and investments	\$ 428,726	\$ 100	\$ 428,826
Receivables:			
Assessments	371,072	21,400	392,472
Interest	759	-	759
Capital assets being depreciated, net	-	-	-
<b>Total assets</b>	<b>\$ 800,557</b>	<b>\$ 21,500</b>	<b>\$ 822,057</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 4,100	\$ -	\$ 4,100
Advances from primary government	-	21,500	21,500
Long-term liabilities:			
Due in more than one year	-	-	-
<b>Total liabilities</b>	<b>4,100</b>	<b>21,500</b>	<b>25,600</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - assessment receivable	291,201	-	291,201
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Unassigned	505,256	-	505,256
Total liabilities, deferred inflows of resources and fund balances	\$ 800,557	\$ 21,500	\$ 822,057
Net position:			
Net investment in capital assets			
Unrestricted			
<b>Total net position</b>			

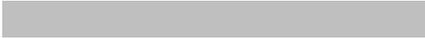


Adjustments	Statement of Net Position
\$ -	\$ 428,826
-	392,472
-	759
3,238,626	<u>3,238,626</u>
	<u>4,060,683</u>
-	4,100
-	21,500
410,000	<u>410,000</u>
	<u>435,600</u>
(291,201)	-
(505,256)	<u>-</u>
2,828,626	2,828,626
796,457	796,457
	<u>\$ 3,625,083</u>

# COUNTY OF MUSKEGON, MICHIGAN

## Combining Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balances / Statement of Activities Drainage Districts Component Unit For the Year Ended September 30, 2014

	Governmental Funds		
	General Fund	Capital Projects	Total
Expenditures / expenses:			
Construction and maintenance	\$ 317,390	\$ -	\$ 317,390
Depreciation	-	-	-
Total expenditures / expenses	<u>317,390</u>	<u>-</u>	<u>317,390</u>
Program revenues:			
Charges for services	<u>221,650</u>	-	<u>221,650</u>
Net program expenses	<u>(95,740)</u>	-	<u>(95,740)</u>
General revenues:			
Investment earnings	1,863	-	1,863
Other financing sources:			
Proceeds from issuance of notes	<u>410,000</u>	-	<u>410,000</u>
Change in fund balances / net position	<u>316,123</u>	-	<u>316,123</u>
Fund balances/net position, beginning of year	<u>189,133</u>	-	<u>189,133</u>
Fund balances/net position, end of year	<u>\$ 505,256</u>	<u>\$ -</u>	<u>\$ 505,256</u>



Adjustments	Statement of Net Position
\$ -	\$ 317,390
82,162	<u>82,162</u>
	399,552
35,409	<u>257,059</u>
	(142,493)
-	1,863
(410,000)	<u>-</u>
	(140,630)
3,576,580	<u>3,765,713</u>
	<u><u>\$ 3,625,083</u></u>

This page intentionally left blank.

## STATISTICAL SECTION

This page intentionally left blank.

**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	175
B-2 Changes in Net Position	176
B-3 Fund Balances, Governmental Funds	178
B-4 Changes in Fund Balances, Governmental Funds	179
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	180
C-2 Assessed and Taxable Value of Taxable Property	181
C-3 Principal Property Tax Payers	182
C-4 Direct and Overlapping Property Tax Rates	183
C-5 Property Tax Levies and Collections	184
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	185
D-2 Ratios of General Bonded Debt Outstanding	186
D-3 Direct and Overlapping Governmental Activities Debt	187
D-4 Legal Debt Margin Information	188
D-5 Pledged-Revenue Coverage	189
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	190
E-2 Demographic and Economic Statistics	191

**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 Employee Headcount by Function/Program	192
F-2	Operating Indicators by Function/Program	194
F-3	Capital Asset Statistics by Function/Program	195

Muskegon Area Transit System

2	Schedule of Expenditures of State and Federal Awards	196
4E	Urban Regular Service Expense Report	197
4N	Urban Regular Service Nonfinancial Report	199
4R	Urban Regular Service Revenue Report	200
5	Operating Assistance Calculation	202
6	Annual OPEB Cost and Net OPEB Obligation Schedule	204

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 39,164	\$ 41,018	\$ 40,455	\$ 41,019	\$ 40,463	\$ 40,525	\$ 42,982	\$ 48,399	\$ 53,894	\$ 51,938
Restricted	21,604	18,876	12,686	16,845	11,339	5,900	3,594	4,031	3,540	3,075
Unrestricted	484	20,075	22,584	18,809	16,054	19,453	22,159	14,922	9,333	481
<b>Total Governmental Activities Net Position</b>	<u>\$ 61,252</u>	<u>\$ 79,969</u>	<u>\$ 75,725</u>	<u>\$ 76,673</u>	<u>\$ 67,856</u>	<u>\$ 65,878</u>	<u>\$ 68,735</u>	<u>\$ 67,352</u>	<u>\$ 66,767</u>	<u>\$ 55,494</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 85,437	\$ 91,214	\$ 91,214	\$ 97,018	\$ 117,230	\$ 105,750	\$ 101,923	\$ 100,796	\$ 98,852	\$ 96,621
Restricted	3,464	2,594	2,021	3,783	4,119	2,898	-	-	-	-
Unrestricted	23,576	18,720	21,087	25,696	13,846	22,415	25,546	26,164	22,839	26,893
<b>Total Business-type Activities Net Position</b>	<u>\$ 112,477</u>	<u>\$ 112,528</u>	<u>\$ 114,322</u>	<u>\$ 126,497</u>	<u>\$ 135,195</u>	<u>\$ 131,063</u>	<u>\$ 127,469</u>	<u>\$ 126,960</u>	<u>\$ 121,691</u>	<u>\$ 123,514</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 124,601	\$ 132,232	\$ 138,535	\$ 138,037	\$ 157,693	\$ 146,275	\$ 144,905	\$ 149,195	\$ 152,746	\$ 148,559
Restricted	25,068	21,470	14,707	20,628	15,458	8,798	3,594	4,031	3,540	3,075
Unrestricted	24,060	38,795	43,671	44,505	29,900	41,868	47,705	41,086	32,172	27,374
<b>Total Primary Government Net Position</b>	<u>\$ 173,729</u>	<u>\$ 192,497</u>	<u>\$ 196,913</u>	<u>\$ 203,170</u>	<u>\$ 203,051</u>	<u>\$ 196,941</u>	<u>\$ 196,204</u>	<u>\$ 194,312</u>	<u>\$ 188,458</u>	<u>\$ 179,008</u>

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 2005 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental activities:</b>										
General county government	\$ 22,972	\$ 20,971	\$ 27,216	\$ 28,034	\$ 30,784	\$ 16,706	\$ 16,871	\$ 15,746	\$ 17,148	\$ 20,492
Judicial	7,801	8,173	8,333	8,437	8,531	8,649	8,443	8,299	8,390	9,042
Public safety	12,923	13,219	13,442	13,428	13,473	13,359	13,759	15,180	18,348	23,316
Health	103,897	109,598	113,300	108,059	113,687	102,097	105,761	104,068	106,364	77,725
Welfare	7,668	9,178	10,210	12,329	14,015	14,248	11,582	9,353	8,175	7,746
Legislative, cultural and recreation	3,247	2,983	2,199	2,661	2,774	1,849	3,249	3,980	1,697	1,631
Debt service expenses	1,162	1,242	1,007	875	736	692	721	684	1,133	2,904
<b>Total governmental activities expense</b>	<b>159,670</b>	<b>165,364</b>	<b>175,707</b>	<b>173,823</b>	<b>184,000</b>	<b>157,600</b>	<b>160,386</b>	<b>157,310</b>	<b>161,255</b>	<b>142,856</b>
<b>Business-type activities:</b>										
Local government public works financing	-	-	-	-	-	1,097	1,465	1,370	1,321	1,285
Solid Waste	794	3,526	3,600	1,325	3,757	4,319	3,428	2,308	2,737	2,653
Airport Operations	2,764	2,474	2,424	2,493	2,530	2,494	2,822	2,569	3,039	2,874
Regional Water System	358	693	2,381	3,169	4,554	3,133	3,036	2,961	3,166	3,135
Muskegon Area Transit System	3,217	3,384	3,294	3,288	3,314	4,034	4,156	4,260	4,809	4,976
Wastewater Management System	15,155	15,023	14,608	16,531	17,162	15,097	17,373	16,442	16,638	17,326
Brookhaven	-	-	-	-	-	15,333	17,253	15,441	15,155	13,113
Other proprietary funds	1,111	2,019	659	988	1,248	1,435	904	2,355	901	835
<b>Total business-type activities expenses</b>	<b>23,399</b>	<b>27,119</b>	<b>26,966</b>	<b>27,794</b>	<b>32,565</b>	<b>46,942</b>	<b>50,437</b>	<b>47,706</b>	<b>47,766</b>	<b>46,197</b>
<b>Total primary government expenses</b>	<b>\$ 183,069</b>	<b>\$ 192,483</b>	<b>\$ 202,673</b>	<b>\$ 201,617</b>	<b>\$ 216,565</b>	<b>\$ 204,542</b>	<b>\$ 210,823</b>	<b>\$ 205,016</b>	<b>\$ 209,021</b>	<b>\$ 189,053</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 6,425	\$ 6,086	\$ 6,432	\$ 5,408	\$ 5,308	\$ 5,347	\$ 5,293	\$ 4,722	\$ 5,577	\$ 5,390
Judicial	2,919	2,949	3,277	2,996	2,716	2,596	3,714	2,604	2,886	2,898
Public safety	842	730	1,046	903	797	534	877	858	1,606	1,749
Health	74,835	72,247	76,698	84,614	83,648	72,700	77,925	74,810	77,094	57,142
Other activities	1,738	1,408	1,656	1,134	1,348	1,265	1,103	2,456	1,170	1,188
Operating grants and contributions	30,783	33,518	35,229	34,958	34,476	37,929	35,764	31,528	29,703	26,797
Capital grants and contributions	-	-	-	-	-	-	-	383	693	673
<b>Total governmental activities program revenues</b>	<b>117,542</b>	<b>116,938</b>	<b>124,338</b>	<b>130,013</b>	<b>128,293</b>	<b>120,371</b>	<b>124,676</b>	<b>117,371</b>	<b>118,729</b>	<b>95,837</b>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services:										
Wastewater	\$ 12,281	\$ 12,640	\$ 13,832	\$ 15,970	\$ 13,816	\$ 12,043	\$ 13,816	\$ 16,466	\$ 18,247	\$ 18,091
Brookhaven	-	-	-	-	-	14,847	15,513	13,492	14,046	12,446
Other	6,521	7,618	8,700	9,117	12,366	11,898	13,136	11,870	12,206	12,432
Operating grants and contributions	2,828	2,982	5,215	6,111	4,116	1,809	3,622	1,305	2,037	2,102
Capital grants and contributions	2,380	2,323	5,829	734	10,165	1,227	1,065	5,377	3,379	4,622
Total business-type activities program revenues	<u>24,010</u>	<u>25,563</u>	<u>33,576</u>	<u>31,932</u>	<u>40,463</u>	<u>41,824</u>	<u>47,152</u>	<u>48,510</u>	<u>49,915</u>	<u>49,693</u>
Total primary government program revenues	<u>\$ 140,948</u>	<u>\$ 149,901</u>	<u>\$ 163,589</u>	<u>\$ 160,225</u>	<u>\$ 160,834</u>	<u>\$ 166,500</u>	<u>\$ 164,523</u>	<u>\$ 165,881</u>	<u>\$ 168,644</u>	<u>\$ 145,530</u>
Net (Expense)/Revenue										
Governmental activities	\$ (42,128)	\$ (48,426)	\$ (51,369)	\$ (43,810)	\$ (55,707)	\$ (35,710)	\$ (39,939)	\$ (39,939)	\$ (42,526)	\$ (47,019)
Business-type activities	(3,109)	(1,403)	5,782	(633)	(6,479)	(8,613)	(554)	804	2,149	3,496
Total primary government net expense	<u>\$ (45,237)</u>	<u>\$ (49,829)</u>	<u>\$ (45,587)</u>	<u>\$ (44,443)</u>	<u>\$ (62,186)</u>	<u>\$ (44,323)</u>	<u>\$ (40,493)</u>	<u>\$ (39,135)</u>	<u>\$ (40,377)</u>	<u>\$ (43,523)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property/Liquor/Lodging taxes	\$ 31,294	\$ 35,076	\$ 36,902	\$ 29,559	\$ 28,981	\$ 28,600	\$ 27,914	\$ 26,599	\$ 26,812	\$ 27,717
State shared revenue	-	-	-	-	-	192	3,601	2,728	2,748	2,882
Investment earnings (loss)	1,149	2,158	2,505	1,718	1,027	282	222	256	(742)	1,627
Other revenue and transfers	10,352	29,908	7,718	13,481	16,883	6,954	6,830	8,973	13,162	7,024
Special item	-	-	-	-	-	-	-	-	-	(3,504)
Total governmental activities	<u>42,795</u>	<u>67,142</u>	<u>47,125</u>	<u>44,758</u>	<u>46,891</u>	<u>36,028</u>	<u>38,567</u>	<u>38,556</u>	<u>41,980</u>	<u>35,746</u>
Business-type activities:										
Investment earnings	958	1,260	1,564	1,515	783	283	359	349	-	-
Other revenue and transfers	(833)	348	485	(344)	18	(882)	(668)	(2,835)	(7,219)	(1,673)
Total business-type activities	<u>125</u>	<u>1,608</u>	<u>2,049</u>	<u>1,171</u>	<u>801</u>	<u>(599)</u>	<u>(309)</u>	<u>(2,486)</u>	<u>(7,219)</u>	<u>(1,673)</u>
Total primary government	<u>\$ 42,920</u>	<u>\$ 68,750</u>	<u>\$ 49,174</u>	<u>\$ 45,929</u>	<u>\$ 47,692</u>	<u>\$ 35,429</u>	<u>\$ 38,258</u>	<u>\$ 36,070</u>	<u>\$ 34,761</u>	<u>\$ 34,073</u>
Change in Net Position										
Governmental activities	\$ 667	\$ 18,716	\$ (4,244)	\$ 948	\$ (8,816)	\$ 318	\$ (1,372)	\$ (1,383)	\$ (546)	\$ (11,273)
Business-type activities	(2,984)	205	7,831	538	(5,678)	(9,212)	(863)	(1,682)	(5,070)	1,823
Total primary government	<u>\$ (2,317)</u>	<u>\$ 18,921</u>	<u>\$ 3,587</u>	<u>\$ 1,486</u>	<u>\$ (14,494)</u>	<u>\$ (8,894)</u>	<u>\$ (2,235)</u>	<u>\$ (3,065)</u>	<u>\$ (5,616)</u>	<u>\$ (9,450)</u>

concluded

Note: The County implemented GASB Statement 54 beginning in fiscal 2011, which resulted in the reclassification of certain funds between Governmental Activities and Business-type Activities. The amounts on this schedule for fiscal years 2005 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund:</b>										
Reserved	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ -	\$ -	\$ -	\$ -
Unreserved	7,260	7,511	8,071	8,479	8,592	8,597	-	-	-	-
Nonspendable	-	-	-	-	-	-	2,914	2,738	2,528	3,838
Restricted	-	-	-	-	-	-	158	114	45	59
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	40	-	-
Unassigned	-	-	-	-	-	-	8,253	7,839	7,217	5,808
<b>Total general fund</b>	<b>\$ 7,849</b>	<b>\$ 8,100</b>	<b>\$ 8,660</b>	<b>\$ 9,068</b>	<b>\$ 9,181</b>	<b>\$ 9,186</b>	<b>\$ 11,325</b>	<b>\$ 10,731</b>	<b>\$ 9,790</b>	<b>\$ 9,705</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ 1,453	\$ 1,317	\$ 1,858	\$ 1,445	\$ 1,405	\$ 1,189	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	8,219	12,405	16,036	13,218	9,245	5,761	-	-	-	-
Debt Service Funds	1,761	1,585	1,801	2,024	2,685	986	-	-	-	-
Capital Projects Funds	5,404	14,026	7,661	11,113	8,103	5,402	-	-	-	-
Permanent Funds	53	53	51	50	47	47	-	-	-	-
Nonspendable	-	-	-	-	-	-	1,193	1,134	1,072	1,084
Restricted	-	-	-	-	-	-	3,846	4,005	3,514	24,706
Committed	-	-	-	-	-	-	351	335	279	214
Assigned	-	-	-	-	-	-	2,962	1,512	5,210	379
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 16,890</b>	<b>\$ 29,386</b>	<b>\$ 27,407</b>	<b>\$ 27,850</b>	<b>\$ 21,485</b>	<b>\$ 13,385</b>	<b>\$ 8,352</b>	<b>\$ 6,986</b>	<b>\$ 10,075</b>	<b>\$ 26,383</b>
<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 24,739</b>	<b>\$ 37,486</b>	<b>\$ 36,067</b>	<b>\$ 36,918</b>	<b>\$ 30,666</b>	<b>\$ 22,571</b>	<b>\$ 19,677</b>	<b>\$ 17,717</b>	<b>\$ 19,865</b>	<b>\$ 36,088</b>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 31,294	\$ 35,076	\$ 36,902	\$ 29,559	\$ 28,981	\$ 28,892	\$ 25,242	\$ 27,033	\$ 27,327	\$ 28,295
Operating grants and contributions	30,783	33,518	35,229	34,958	34,476	35,831	38,465	33,313	31,894	29,187
Charges for services	84,748	83,420	87,132	88,447	92,835	95,624	88,627	84,981	87,758	67,555
Other	9,284	8,627	8,734	8,302	12,646	8,947	9,441	7,248	7,040	6,653
<b>Total revenues</b>	<b>156,109</b>	<b>160,641</b>	<b>167,997</b>	<b>161,266</b>	<b>168,938</b>	<b>169,294</b>	<b>161,775</b>	<b>152,575</b>	<b>154,019</b>	<b>131,690</b>
<b>Expenditures</b>										
General county government	17,143	17,786	20,574	18,627	18,511	17,491	17,487	15,155	16,267	17,271
Judicial	7,758	8,136	8,294	8,410	8,503	8,636	8,578	8,075	7,938	8,287
Public safety	12,712	13,016	13,243	13,242	13,281	13,323	13,620	12,652	14,800	15,079
Health	100,254	109,301	112,990	107,987	113,626	114,349	105,454	102,830	105,231	81,715
Welfare	7,551	9,070	10,103	12,224	13,921	14,246	11,598	9,177	8,101	7,349
Other	3,017	2,598	1,987	2,453	2,569	2,142	2,941	4,063	1,251	1,296
Capital outlay	3,918	1,132	1,706	1,422	5,876	2,753	1,488	2,079	3,306	21,817
Debt service:										
Principal	2,285	6,460	1,540	1,715	11,475	4,160	1,470	1,375	1,690	1,745
Interest	1,074	1,242	864	873	736	691	739	669	625	1,490
Other	88	162	143	2	1	-	-	-	-	-
<b>Total expenditures</b>	<b>155,800</b>	<b>168,903</b>	<b>171,444</b>	<b>166,955</b>	<b>188,499</b>	<b>177,791</b>	<b>163,375</b>	<b>156,075</b>	<b>159,209</b>	<b>156,049</b>
Excess of revenues over (under) expenditures	309	(8,262)	(3,447)	(5,689)	(19,561)	(8,497)	(1,600)	(3,500)	(5,190)	(24,359)
<b>Other Financing Sources (Uses)</b>										
Proceeds from borrowing	5,000	8,200	995	6,000	13,875	4,315	-	-	-	38,870
Proceeds from refunding	-	12,380	-	-	-	-	4,780	-	-	-
Payments to escrow agents	-	-	-	-	-	(4,356)	(4,638)	-	-	-
Transfers in	15,249	15,506	17,066	16,136	17,594	16,388	13,774	13,092	17,640	15,374
Transfers out	(14,081)	(15,511)	(17,494)	(15,602)	(18,187)	(15,967)	(14,415)	(11,567)	(10,302)	(13,701)
Sale of capital assets	526	434	1,460	7	26	23	7	15	-	39
<b>Total other financing sources (uses)</b>	<b>6,694</b>	<b>21,009</b>	<b>2,027</b>	<b>6,541</b>	<b>13,308</b>	<b>403</b>	<b>(492)</b>	<b>1,540</b>	<b>7,338</b>	<b>40,582</b>
<b>Net change in fund balances</b>	<b>\$ 7,003</b>	<b>\$ 12,747</b>	<b>\$ (1,420)</b>	<b>\$ 852</b>	<b>\$ (6,253)</b>	<b>\$ (8,094)</b>	<b>\$ (2,092)</b>	<b>\$ (1,960)</b>	<b>\$ 2,148</b>	<b>\$ 16,223</b>
Debt service as a percentage of noncapital expenditures	2.27%	4.72%	1.51%	1.57%	6.73%	2.98%	1.36%	1.33%	1.48%	2.41%

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
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	26,598
2014	25,218	1,096	1,403	27,717
Change 2005-2014	-16.7%	40.7%	82.7%	-12.8%

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		
2005	\$ 4,674	\$ 379	\$ 5,053	\$ 3,616	\$ 379	\$ 3,995	\$ 6.78	79.06 %
2006	4,917	377	5,294	3,860	377	4,237	6.76	80.03
2007	5,149	395	5,544	4,101	395	4,496	6.74	81.10
2008	5,255	414	5,669	4,233	414	4,647	6.70	81.97
2009	5,072	417	5,489	4,297	418	4,715	6.70	85.90
2010	4,798	422	5,220	4,142	422	4,564	6.70	87.43
2011	4,508	435	4,943	4,007	435	4,442	6.70	89.86
2012	4,289	457	4,746	3,883	457	4,340	6.70	91.45
2013	4,145	465	4,610	3,799	465	4,264	6.70	92.49
2014	4,240	467	4,707	3,825	467	4,292	6.66	91.18

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	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	\$ 117,070	1	2.73 %	\$ 113,789	1	2.85 %
Alcoa Howmet	49,876	2	1.16	45,327	3	1.13
DTE Energy	31,289	3	0.73	25,690	5	0.64
Diversified Machine Montague Inc	21,766	4	0.51	—	—	—
Sun Chemical of Michigan LLC	19,153	5	0.45	24,991	6	0.63
L3 Communications Corp	18,183	6	0.42	—	—	—
Bayer CropScience	18,159	7	0.42	14,421	8	0.36
Meijer Inc	14,964	8	0.35	—	—	—
The Lakes Mall LLC	14,958	9	0.35	12,068	9	0.30
THF Fruitport Development LP	14,925	10	0.35	15,215	7	0.38
Sappi Inc	—	—	—	50,653	2	1.27
Hayes-Lemmerz International	—	—	—	44,561	4	1.12
Johnson Technology Inc	—	—	—	11,495	10	0.29
Total	<u>\$ 320,343</u>		<u>7.47 %</u>	<u>\$ 358,210</u>		<u>8.97 %</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	
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
2014	6.40	0.30	6.70	NLP	—	—	NLP	—	—	6.70

Source: Equalization Department

<sup>(1)</sup> Museum, Veterans, and Central dispatch operating millage equals between .08 and .32 mills

<sup>(2)</sup> County debt was issued for the renovation of a performing arts complex

<sup>(3)</sup> Authority operating millage equals between .30 and .75 operating mills

NLP: No longer provided

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
2005	\$ 22,002,834	\$ 20,102,587	91.36 %	\$ 1,900,247	\$ 22,002,834	100.0 %
2006	23,303,972	21,413,291	91.89	1,890,681	23,303,972	100.0
2007	24,582,300	22,614,273	91.99	1,968,027	24,582,300	100.0
2008	25,301,393	23,306,986	92.12	1,994,407	25,301,393	100.0
2009	25,599,033	24,000,311	93.75	1,598,722	25,599,033	100.0
2010	24,931,493	23,448,461	94.05	1,483,123	24,931,584	100.0
2011	24,144,272	22,746,182	94.21	1,398,090	24,144,272	100.0
2012	23,354,910	21,154,078	94.86	N/A	N/A	N/A
2013	23,148,298	21,890,440	94.57	N/A	N/A	N/A
2014	23,256,777 (1)	22,142,777	95.21	N/A	N/A	N/A

Source: Muskegon County Treasurer's Office

N/A = Information not available

(1) Estimated Tax Levy

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)  
Schedule D-1

**Ratios of Outstanding Debt by Type**

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Other Debt	Building Authority Bonds	Revenue Bonds	Local Govt Public Works Bonds	Delinquent Tax Notes			
	(2)		(3)					(1)	(1)
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	2.59	840.32
2014	53,847	1,167	9,285	74,382	26,700	16,008	181,389	3.27	1,060.70

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		
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	117.30
2014	53,847	9,285	63,132	1.47	369.18

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

There are no significant resources that are restricted to repaying the principal of outstanding general bonded debt.

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

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

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)  
Schedule D-3

**Direct and Overlapping Governmental Activities Debt**  
As of September 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping debt:			
School Districts (K-12)	\$ 617,396,030	61.204%	\$ 377,869,410
Cities, Villages, and Townships	89,791,558	100.000%	89,791,558
Muskegon Community College	6,675,000	100.000%	6,675,000
White Lake Community Library	675,000	100.000%	675,000
Ottawa Area Intermediate School District	4,040,000	1.230%	49,692
Subtotal, overlapping debt			<u>475,060,660</u>
County direct debt, governmental activities			<u>64,092,207</u>
Total direct and overlapping debt			<u><u>\$ 539,152,867</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 2014

Assessed value (000s)	\$4,706,919
Debt limit percentage	10%
Debt limit (10% of SEV)	<u>\$ 470,692</u>
Debt applicable to limit:	
General obligation bonds (1)	53,847
Other debt	1,167
Building authority bonds (2)	9,285
Revenue bonds	74,382
Local Govt Public Works Finance	26,700
Delinquent tax notes	<u>16,008</u>
Total net debt applicable to limit	<u>181,389</u>
Legal debt margin	<u><u>\$ 289,303</u></u>

		Fiscal Year									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	(a)	\$ 505,360	\$ 529,516	\$ 554,383	\$ 566,879	\$ 548,943	\$ 522,120	\$ 494,300	\$ 474,649	\$ 461,026	\$ 470,692
Total net debt applicable to limit	(b)	<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>	<u>181,389</u>
Legal debt margin available	(a-b)	<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>	<u><u>\$ 289,303</u></u>
Total net debt applicable to limit as a percentage of debt limit	(b/a)	9.80%	15.45%	18.03%	18.49%	24.55%	26.91%	31.61%	31.96%	31.17%	38.54%
County net debt limit as a percentage of total State Equalized Value (1)		0.98%	1.55%	1.80%	1.85%	2.46%	2.69%	3.16%	3.20%	3.12%	3.85%

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)									
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
2014	5,580	—	5,580	3,880	1,509	97	2,339	1,145	1,194	100

(1) Total revenues (gallonage fees)

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

Note: 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	2014			2005		
	Employees (1)	Rank	Percentage of Total County Employment (2)	Employees (3)	Rank	Percentage of Total County Employment (2)
Mercy Health Partners	3,881	1	4.6 %	3,700 (4)	2/3	4.4 %
Alcoa Howmet	2,200	2	2.6	2,500	1	3.0
County of Muskegon	1,200	3	1.4	1,150	4	1.4
ADAC Automotive	1,000	6	1.2	—		—
Meijer	900	5	1.1	1,100	6	1.3
Muskegon Public Schools	676	4	0.8	1,110	5	1.3
GE Aviation	647	7	0.8	—		—
Port City Group	622	8	0.7	—		—
Wesco	511	9	0.6	—		—
JAAR Inc	450	10	0.5			
Hayes Lemmerz International	—		—	550	7	0.7
ADAC Plastics	—		—	500	8	0.6
Johnson Technology Inc	—		—	475	9	0.6
Knoll Furniture	—		—	460	10	0.5
<b>Total</b>	<b>12,087</b>		<b>14.3 %</b>	<b>11,545</b>		<b>13.8 %</b>

(1) Source: Muskegon Area First

(2) Total County Employment Source: Michigan Department of Technology, Management & Budget

(3) Source: Muskegon County 2005 Comprehensive Annual Financial Report

(4) In 2003 the second largest employer was Mercy General Health Partners with 2,100 employees and the 3rd largest was Hackley Hospital with 1600. These two organizations have since merged to become Mercy Health Partners.

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)
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
2013	171,008	5,541,481	32,405	37.2	28,347	9.0

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 Employee Headcount by Function/Program**  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Legislative</b>										
Board of Commissioners	11	11	11	11	11	11	11	11	11	9
<b>General Government</b>										
Administration	9	9	9	9	8	9	4	6	7	8
Corporate Counsel	3	-	-	-	-	-	-	-	-	-
County Clerk/Circuit Court Records	14	14	15	15	15	15	14	14	14	14
Prosecutor's Office	36	35	35	34	33	32	31	32	27	27
Treasurer's Office	10	10	10	10	10	10	9	9	9	9
Equalization	22	22	22	25	24	24	23	20	20	19
Register of Deeds	9	9	9	9	9	9	8	8	8	9
Drain Commissioner	5	5	5	5	4	4	4	6	11	11
Accounting/Budget	11	10	10	9	9	9	10	7	8	9
Human Resources	5	5	5	5	6	6	3	3	3	2
Purchasing	4	4	4	4	3	3	3	3	2	-
Office Services	5	5	3	3	3	3	3	2	2	2
Information Systems	8	8	8	8	8	8	8	7	5	5
Risk Management	8	8	8	8	9	9	8	8	10	9
Facilities Management	14	14	16	18	16	16	15	15	13	13
<b>Judicial</b>										
Circuit Court	19	23	24	22	22	22	22	23	23	24
District Court	60	63	63	63	63	64	65	64	63	63
Family Court	80	82	80	78	80	81	69	66	66	69
Probate Court	7	7	7	7	7	7	7	7	7	7
Public Defender	-	-	-	-	-	-	-	-	-	16
<b>Public safety</b>										
Sheriff	134	135	137	135	134	135	134	125	122	119
Animal Licensing	-	-	-	-	-	-	-	-	4	4
Courtroom Security	-	10	8	9	8	8	8	8	9	9
Community Corrections	8	8	5	8	8	8	5	6	4	4
Emergency Services	2	3	2	2	2	2	2	2	1	2

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)  
Schedule F-1

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Health										
Public Health	81	85	85	86	87	87	81	83	72	75
Mental Health	323	327	329	333	341	346	342	350	370	402
Brookhaven Medical Care	239	239	242	274	270	268	269	269	270	207
Water system	-	2	2	2	2	2	3	3	3	3
Wastewater	65	59	57	57	57	57	54	52	54	55
Solid Waste	15	14	14	13	14	13	14	14	15	15
Welfare										
Child Haven	16	16	16	16	16	16	16	16	16	16
Juvenile Detention Center	27	27	27	27	27	27	29	36	37	37
Workforce Development	21	22	23	23	23	24	12	14	14	70
Cultural										
MSU Cooperative Extension	1	1	1	1	1	1	1	1	1	1
District Library	41	27	39	-	-	-	-	-	-	-
Parks and Recreation										
County Parks	22	22	22	22	22	22	22	22	22	22
Convention/Visitor's Bureau	6	7	7	7	8	8	6	6	6	7
Airport	15	14	13	13	12	13	12	13	12	12
Transit	46	47	46	46	46	46	54	55	58	65
<b>Total</b>	<b>1,402</b>	<b>1,409</b>	<b>1,419</b>	<b>1,417</b>	<b>1,418</b>	<b>1,425</b>	<b>1,382</b>	<b>1,386</b>	<b>1,399</b>	<b>1,450</b>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Public Safety Police</b>										
Bookings	9,815	10,343	11,083	10,475	9,567	8,743	8,436	8,654	8,149	7,981
Traffic Stops	3,087	2,447	2,836	2,025	2,135	1,964	2,147	3,160	3,512	2,543
Verbal Warnings	1,683	1,100	1,082	1,421	1,747	2,130	2,419	2,788	2,823	1,874
Citations	2,491	2,039	2,460	2,082	1,393	1,721	1,377	1,299	1,693	1,336
<b>Public Safety-Corrections</b>										
Average Daily Jail Population	412	414	409	403	401	403	401	407	405	403
Avg Population as Pct of Capacity	111%	112%	111%	109%	108%	109%	108%	110%	109%	109%
<b>Sanitation</b>										
Refuse collected (tons)	88,971	126,994	125,775	147,484	104,984	128,850	137,467	102,729	109,580	115,089
Recyclables collected (tons)	66	39	22	16	18	79	65	63	44	76
<b>Water</b>										
New connections	1,033	106	152	91	70	194	61	60	48	46
Average daily consumption (thousands of gallons)	483	406	680	560	1,108	520	1,195	1,216	1,159	1,112
<b>Wastewater</b>										
Average daily sewer treatment (million gallons)	23	20	20	20	16	13	12	12	12	12
<b>District Court</b>										
Cases filed	44,573	45,275	48,304	47,631	42,527	39,993	34,796	36,868	36,656	37,588
Cases disposed	46,915	45,036	48,431	47,584	45,331	40,937	39,045	40,789	39,152	38,399
Cases pending	6,183	6,607	6,450	7,036	4,571	13,915	4,609	5,210	4,717	4,532
<b>Airport</b>										
Total landings / take-offs	63,876	56,743	53,852	62,538	58,137	47,373	37,017	34,599	31,383	32,675
Passengers	72,134	68,811	63,651	63,957	35,119	27,362	27,711	37,724	36,634	35,641
<b>Transit</b>										
Total Vehicle Miles	581,368	576,018	569,060	547,048	534,484	595,223	695,211	790,430	784,796	786,389
Total Revenue Miles	541,758	553,740	554,256	513,873	530,039	595,217	676,887	713,705	707,842	731,656
Total Passengers	437,815	493,631	529,377	611,162	617,828	641,416	739,283	719,908	731,633	708,461

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety-Sheriff										
Patrol Units	25	25	24	24	25	25	30	27	29	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	278	278	278	278	278	278	278	278
Maximum Daily Treatment Capacity (millions of gallons)	43	43	42	42	42	42	42	42	42	42
Airport										
Capacity (thousand of passengers)	129	129	118	91	66	63	70	73	73	73
Transit										
Number of Buses	15	18	22	22	17	17	21	24	37	37
Solid Waste										
Total Capacity (thousand cubic yards)	3,100	3,100	3,778	3,778	3,778	3,778	3,778	3,778	3,778	3,819
Remaining Capacity (thousand cubic yards)	2,362	2,214	2,099	1,952	1,816	1,695	1,596	1,517	1,388	1,231
Remaining Capacity (percent of total)	76.2%	71.4%	55.6%	51.7%	48.1%	44.9%	42.2%	40.2%	36.7%	32.2%

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)

**Muskegon Area Transit System Fund**

Schedule 2

Schedule of Expenditures of State and Federal Awards

For the Year Ended September 30, 2014

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		
<b>U.S. Department of Transportation</b>									
Capital assistance - section 5307	20.507	MI-90-X670	\$3,269,841	\$ 1,044,927	\$ 1,044,927	\$ -	\$ -	\$ -	\$2,224,914
Capital assistance - section 5307	20.507	MI-90-X653	1,546,910	994,534	994,534	-	-	552,376	-
Capital grant - section 5309 - capital assistance	20.500	MI-03-0228	285,888	128,082	128,082	-	-	-	157,806
Capital grant - section 5309 - facility development	20.500	MI-04-0069	200,000	32,796	32,796	-	-	-	167,204
Capital grant - CMAQ capital assistance	20.507	MI-95-X094	145,779	40,746	40,746	-	-	-	105,033
Capital grant - TIGER IV	20.933	MI-79-0001	1,350,000	1,350,000	1,350,000	-	-	-	-
Passed through Michigan Department of Transportation:									
FTA/MDOT Section 5339 Terminal equipment	20.526	12-0138/P008	38,961	28,870	28,870	-	-	-	10,091
FTA/MDOT Section 5317 New Freedom Mobility Mgt	20.521	12-0138/P010	100,000	100,000	100,000	-	-	-	-
FTA/MDOT Section 5317 New Freedom (bus shelters)	20.521	12-0138/P010	80,000	59,965	59,965	-	-	-	20,035
<b>Total U.S. Department of Transportation</b>				<b>3,779,920</b>	<b>3,779,920</b>	<b>-</b>	<b>-</b>	<b>552,376</b>	<b>2,685,083</b>
<b>Michigan Department of Transportation</b>									
Operating Assistance - formula funding	N/A	FY14	996,753	996,753	-	996,753	-	-	-
Bus Station Engineering & Design	N/A	07-0264/Z2	71,472	32,021	-	32,021	-	10,133	29,318
Project Administration	N/A	07-0264/Z22	50,000	8,199	-	8,199	-	41,801	-
Preventative maintenance, property acquisition	N/A	12-0138/P004	113,000	66,846	-	66,846	-	46,154	-
Specialized services	N/A	12-0138/P011	65,499	49,119	-	49,119	-	-	16,380
Preventative maintenance	N/A	12-0138/P007	162,000	102,915	-	102,915	-	-	59,085
Terminal equipment	N/A	12-0138/P008	9,740	7,217	-	7,217	-	-	2,523
CMAQ Marketing	N/A	12-0138/P009	36,445	10,186	-	10,186	-	-	26,259
New Freedom (bus shelters)	N/A	12-0138/P010	20,000	14,991	-	14,991	-	-	5,009
<b>Total Michigan Department of Transportation</b>				<b>1,288,247</b>	<b>-</b>	<b>1,288,247</b>	<b>-</b>	<b>98,088</b>	<b>138,574</b>
<b>Total Expenditures of Federal and State Awards</b>				<b>\$ 5,068,167</b>	<b>\$ 3,779,920</b>	<b>\$ 1,288,247</b>	<b>\$ -</b>	<b>\$ 650,464</b>	<b>\$2,823,657</b>

**Muskegon Area Transit System Fund**  
 Schedule 4E  
 Urban Regular Service Expense Report  
 For the Year Ended September 30, 2014

	Operations	Maintenance	General Administration	Total System
<b>Operating expenses</b>				
<b>Labor</b>				
Salaries and wages - operators	\$ 1,321,415	\$ -	\$ 27,380	\$ 1,348,795
Salaries and wages - other	-	170,255	261,382	431,637
Fringe benefits	541,778	72,086	95,340	709,204
Pension	129,482	19,066	23,584	172,132
<b>Services</b>				
Advertising	-	-	11,443	11,443
Audit	-	-	6,060	6,060
Other services	-	3,426	24,174	27,600
<b>Materials and supplies</b>				
Fuel	358,671	-	-	358,671
Tires and tubes	59,707	-	-	59,707
Other materials and supplies	15,304	419,823	95,969	531,096
<b>Casualty and liability costs</b>				
Liability insurance	290,012	-	-	290,012
Other insurance	-	-	11,888	11,888
Utilities	-	109,827	22,647	132,474
<b>Miscellaneous</b>				
Travel, meetings and training	-	-	10,583	10,583
Association dues and subscriptions	-	-	15,137	15,137
Equipment leases	14,667	-	906	15,573
Depreciation	693,076	-	60	693,136
<b>Total operating expenses</b>	<b>3,424,112</b>	<b>794,483</b>	<b>606,553</b>	<b>4,825,148</b>

continued...

**Muskegon Area Transit System Fund**  
 Schedule 4E  
 Urban Regular Service Expense Report  
 For the Year Ended September 30, 2014

	Operations	Maintenance	General Administration	Total System
<b>Ineligible expenses</b>				
Ineligible alternative fuel rebate	\$ 33,292	\$ -	\$ -	\$ 33,292
Insurance reimbursements	-	-	16,558	16,558
Ineligible depreciation	693,076	-	-	693,076
Ineligible portion of association dues	-	-	1,255	1,255
Ineligible preventive maintenance	82,069	610,873	-	692,942
Ineligible new freedom grant	-	-	100,000	100,000
Administrative expense paid by capital contract	-	-	40,773	40,773
Expenses paid by capital contracts	-	14,667	51,571	66,238
<b>Total ineligible expenses</b>	<b>808,437</b>	<b>625,540</b>	<b>210,157</b>	<b>1,644,134</b>
<b>Total eligible expenses</b>				<b>\$ 3,181,014</b>
<b>Reconciliation of operating expenses to the financial statements</b>				
Operating expenses per above				\$ 4,825,148
Specialized services				49,119
Bus shelters				12,852
Local capital items				88,924
<b>Operating expenses per Statement of Revenues, Expenses, and Changes in Fund Net Position</b>				<b>\$ 4,976,043</b>

concluded

**Muskegon Area Transit System Fund**  
 Schedule 4N  
 Urban Regular Service Nonfinancial Report  
 For the Year Ended September 30, 2014

	Miles	Hours
<b>Linehaul</b>		
First Quarter	132,386	9,796
Second Quarter	128,988	9,798
Third Quarter	133,378	10,135
Fourth Quarter	136,104	10,347
	<u>530,856</u>	<u>40,076</u>
<b>Demand response</b>		
First Quarter	61,437	4,014
Second Quarter	57,951	3,947
Third Quarter	58,251	3,648
Fourth Quarter	57,654	3,477
	<u>235,293</u>	<u>15,086</u>
<b>Total operations</b>	<u><u>766,149</u></u>	<u><u>55,162</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, 2014

	Linehaul	Demand Response	Total
Passenger fares	\$ 435,083	\$ 74,435	\$ 509,518
Concessions	3,579	-	3,579
Advertising	13,107	-	13,107
Greyhound commissions	38,431	-	38,431
Building rental	138	-	138
Other nontransit revenue	4,300	-	4,300
Alternative fuel reimbursement	33,292	-	33,292
Insurance claim	16,481	-	16,481
Local operating assistance	137,792	-	137,792
	<u>682,203</u>	<u>74,435</u>	<u>756,638</u>
<b>State Cash Grants/Reimbursements</b>			
FY2014 Formula Funding	836,517	160,236	996,753
07-0264-Z002 Bus Station Engineering and Design	32,021	-	32,021
07-0264-Z022 Bus Station Project Engineering	8,199	-	8,199
12-0138-P004 Preventive Maintenance, Property Acquisition	66,846	-	66,846
12-0138-P007 Preventive Maintenance	102,915	-	102,915
12-0138-P008 Terminal Equipment	7,217	-	7,217
12-0138-P009 CMAQ Marketing	10,186	-	10,186
12-0138-P011 Specialized Services	49,119	-	49,119
12-0138-P010 New Freedom Bus Shelter	14,991	-	14,991
	<u>1,128,011</u>	<u>160,236</u>	<u>1,288,247</u>
<b>Federal Cash Grants/Reimbursements</b>			
Assistance - Section 5307 - Formula	633,269	-	633,269
Assistance - Section 5307 - Formula	504,749	222,401	727,150
Bus Station Engineering & Design	128,082	-	128,082
CMAQ Marketing - Section 5307	40,746	-	40,746
Facility Lease - Section 5307	11,734	-	11,734
Other Capital Items - Section 5307	141,966	-	141,966
Other Capital Items - Section 5307	125,418	-	125,418
Other Capital Items - Section 5307	399,924	-	399,924
Other Capital Items - Section 5307	32,796	-	32,796
TIGER IV Capital	1,350,000	-	1,350,000
Terminal equipment - Section 5339	28,870	-	28,870
New Freedom - Mobility Management - Section 5317	100,000	-	100,000
New Freedom (Bus Shelters) - Section 5317	59,965	-	59,965
	<u>3,557,519</u>	<u>222,401</u>	<u>3,779,920</u>

continued...

**Muskegon Area Transit System Fund**  
 Schedule 4R  
 Urban Regular Service Revenue Report  
 For the Year Ended September 30, 2014

	Linehaul	Demand Response	Total
Other revenue			
Interest income	\$ 88	\$ -	\$ 88
<b>Total revenues</b>	<b>\$ 5,367,821</b>	<b>\$ 457,072</b>	<b>\$ 5,824,893</b>

concluded

Other nontransit revenue above includes scrap sales of \$1,923 plus gain on disposal of capital assets of \$2,377.

**Muskegon Area Transit System Fund**

Schedule 5

Operating Assistance Calculation

For the Year Ended September 30, 2014

State eligible expenses	
Labor	\$ 1,780,432
Fringe benefits	709,204
Pension	172,132
Advertising and other service	39,043
Audit	6,060
Materials and supplies	949,474
Casualty and liability costs	290,012
Other insurance	11,888
Utilities	132,474
Miscellaneous	25,720
Interest expense	15,573
Depreciation	<u>693,136</u>
 Total expenses	 <u>4,825,148</u>
 Less ineligible expenses	
Ineligible alternative fuel rebate	33,292
Ineligible insurance reimbursement	16,558
Ineligible depreciation	693,076
Ineligible portion of association dues	1,255
Ineligible preventive maintenance	692,942
Ineligible new freedom grant	100,000
Administrative expense paid by capital contract	40,773
New service CMAQ - federal	<u>66,238</u>
 Total ineligible expenses	 <u>1,644,134</u>
 State eligible expenses	 <u><u>\$ 3,181,014</u></u>
 State operating assistance - 30.86%	 <u><u>\$ 981,661</u></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.

This page intentionally left blank.

# COUNTY OF MUSKEGON, MICHIGAN

## Muskegon Area Transit System Fund

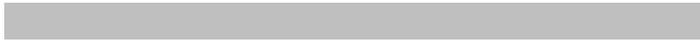
### Schedule 6

### Annual OPEB Cost and Net OPEB Obligation Schedule

For the Year Ended September 30, 2014

	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	2014
\$ 218,387	\$ 163,222	\$ 167,997	\$ 169,920
-	-	-	-
-	-	-	-
<u>218,387</u>	<u>163,222</u>	<u>167,997</u>	<u>169,920</u>
218,387	163,222	167,997	169,920
-	-	-	-
-	-	-	-
<u>218,387</u>	<u>163,222</u>	<u>167,997</u>	<u>169,920</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>