

County of
Muskegon,
Michigan



Year Ended
September 30,
2015

Comprehensive
Annual Financial
Report





County of Muskegon, Michigan

Comprehensive Annual Financial Report
For the Year Ended September 30, 2015

*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

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INTRODUCTORY SECTION

COUNTY OF MUSKEGON, MICHIGAN

Principal Officials

As of March 28, 2016

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

Raymond L. Kostrzewa, Jr. Chief Judge
Andrew J. Wierengo III, Pro Tem
Harold F. Closz III
Maria Ladas Hoopes

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 28, 2016

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, 2015.

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, 2015, 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 unmodified opinion that the Muskegon County financial statements for the fiscal year ended September 30, 2015, 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

Local Economy. Like other counties in the state, Muskegon County has been significantly impacted by the economic downturn. Four consecutive years of declines in taxable values had 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. Small taxable value increases followed in 2014 and 2015 of .64% and 1.38% respectively. The 2015 increase resulted in an increase of \$684,000 in property tax revenues. Residential building and home sales as well as some commercial and industrial expansion have all contributed to this increase.

Another sign that the local economy is improving is the decline in unemployment rate. Unemployment was as high as 15.9% in fiscal year 2010. Fiscal year 2015 began the year at 6.4% unemployment and ended the year at 4.8%. 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 distributions to counties has not been a consistent revenue stream over the last several years. Since fiscal year 2011, Revenue sharing revenues have declined from \$4.1 million down to \$2.9 million in 2014 and then increased to \$3.6 million in fiscal year 2015. In addition, for fiscal year 2015 the State required that the traditional revenue sharing payments be contingent upon meeting the requirements of the "County Incentive Program" (CIP). This required that the County address three general areas; Accountability & Transparency, Consolidation of Services, and Unfunded Accrued Liabilities. The County complied with all of these requirements and received its full allocation of revenue sharing in 2015.

Long-term financial planning

Although fiscal year 2015 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 ability to balance the budget. Through the collaborative efforts of the Functional Budget Teams, revenue enhancements and expenditure reductions totaling \$800,000 were achieved in an effort to balance the budget and continue to maintain service levels as much as possible. This was the fourth 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 functions their departments perform. 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 eliminate that budget shortfall. Some highlights of the collaborative efforts of these teams that were implemented for fiscal year 2015 were as follows:

General Government Budget Team Highlights:

- Human Resources staffing cost allocations to Michigan Works function
- Deeds Automation Fund covered the cost of the annual CRIS 5 maintenance agreement
- Utilization of tax forfeiture funds for general fund revenue enhancement
- Enhanced Equalization department revenues through additional assessing contracts

Community Services Budget Team Highlights:

- Weekend staffing adjustments for Airport maintenance and attendants resulting in salary and benefit savings
- Additional revenues for the airport related to office rentals and storage of records
- Facilities Management salary and fringe allocation to Heritage Landing (park) and Muskegon Area Transit System for services provided
- In house hauling of Hall of Justice and South Campus trash resulting in a reduction in trash service charges
- Collaborative effort between the Drain Commissioner and the Public Works department for providing engineering and water sampling services

Human Services Budget Team Highlights:

- Continue to work together to increase community-based services and reduce the overall residential/foster care cost in the Child Care Fund budget; by utilizing the newly constructed and expanded Juvenile Transition Center in conjunction with community-based services, we should be able to reduce the number of children needing residential care and reduce the residential days of care for those requiring specialized services
- Utilize excess capacity at Brookhaven Medical Care Facility through a collaborative effort with HealthWest by housing its Brinks program

COUNTY OF MUSKEGON, MICHIGAN

Transmittal Letter

Public Safety Budget Team Highlights:

- Eliminated the Office Coordinator position in the Public Defender Office District Court reduced overtime and other expenses
- New collaborative collections program for consolidated and enhanced collections of revenues for the Sheriff's Office, Prosecutor's Office, Circuit Court, Circuit Court Records, Probate Court, and the Public Defender's Office
- Enhanced Circuit Court Records Filiation Fees revenues
- Enhanced District Court Alcohol Assessment and Fines and Cost revenues
- Use of the Swift and Sure Sanctions Probation Program (SSSP) grant for covering various salaries and fringes within the Prosecutor's Office, Sheriff's Office, Public Defender's Office, Circuit Court and District Court. In addition, the grant includes cost reimbursement for inmate jail bed days and mileage reimbursement in the Sheriff's Office
- Continued collaboration between departments in developing a county-wide Enterprise Content Management system that is expected to eventually eliminate the need for hard-copy document processing

The County is continuously 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 and the rising costs of employee wages and benefits, the County's General Fund ended fiscal year 2015 with a small operating deficit of \$132,000. The unrestricted fund balance as a percentage of General Fund expenditures has increased from the prior year to 16.5%, which is slightly below the Board's financial policy target of 18%. For County governments the most significant expenditures are its personnel costs. Measures are being taken to reduce health care costs by reevaluating the County's medical plans and looking for ways to reduce the cost to both the County and its employees. 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 to toward improving the County's overall financial condition while protecting the County's core services.

MAJOR INITIATIVES

The most significant initiative in 2015 was the continuing construction of a new Jail and completion of the Juvenile Transition Center. In October 2013, \$38.87 million in General Obligation bonds were issued to (a) fund the construction of these two facilities (\$34.0 million) and (b) create a debt service reserve to fund construction period interest (\$4.87 million). 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, which was able to stay within its \$40 million project budget. The Juvenile Transition Center was completed in October 2014 and the new Jail was completed with the final transfer of inmates occurring in November 2015.

Economic development continues to be a priority of the County. One economic development project that the County is a partner on is the development of the Port of Muskegon as a multi-modal logistics hub. A Port Advisory Committee has been assembled to research the viability of Muskegon Lake hosting such a port. Logistic studies, infrastructure analysis, organizational structure analysis, and a Muskegon Lake Master Plan are all underway through the efforts of this Port Advisory Committee. A recent development with regard to the port has been cruise ships choosing to make the Port of Muskegon one of their destinations. In the summer of 2016 it is anticipated that our port will see as many as 14 ports of call from two different cruise lines.

COUNTY OF MUSKEGON, MICHIGAN

Transmittal Letter

Another continuing economic development focus is increasing the flow to the Wastewater Treatment Facility and the development of the Wastewater system property. Since the closure of the local paper mill several years ago, the County's Wastewater Treatment Facility has had excess capacity. We have been in discussions with a municipality and manufacturer outside of our county to potentially provide them with the capacity they need for wastewater discharge and treatment. In addition, we are marketing our Wastewater property as a potential site location for data centers. With its available land, electrical infrastructure, abundance of water for cooling and proximity to other metropolitan areas, the Wastewater property makes an ideal site for this type of industry to locate a new data center facility. The property is also being considered for wind power development. A wind project at the site would provide both economic and environmental benefits to the region through the utilization of this renewable energy resource.

In conjunction with economic development objectives, the County is a stakeholder in the [WATCH MUSKEGON](#) campaign. This is a county-wide effort to improve the overall image of the Muskegon area, share the positive changes that have already taken place and to educate residents and nonresidents on Muskegon's assets. The goal is that by improving the image of the Muskegon area through positive community pride and promotion it will help to attract new residents, tourists, business and capital investment to the community. The multifaceted campaign focuses on economic development, beautification, education, customer service and marketing efforts.

The County's continued participation in the neighborhood stabilization and revitalization effort is a critical component to the long-term economic development of the community and improving the image of Muskegon. 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 properties to the tax rolls. The County has also participated in this effort by coordinating the submission of grant applications which has resulted in the \$4,470,000 in grant awards over the last 2 years for neighborhood stabilization and blight elimination activities.

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, 2014. This was the 37th 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, 2015.

COUNTY OF MUSKEGON, MICHIGAN

Transmittal Letter

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,



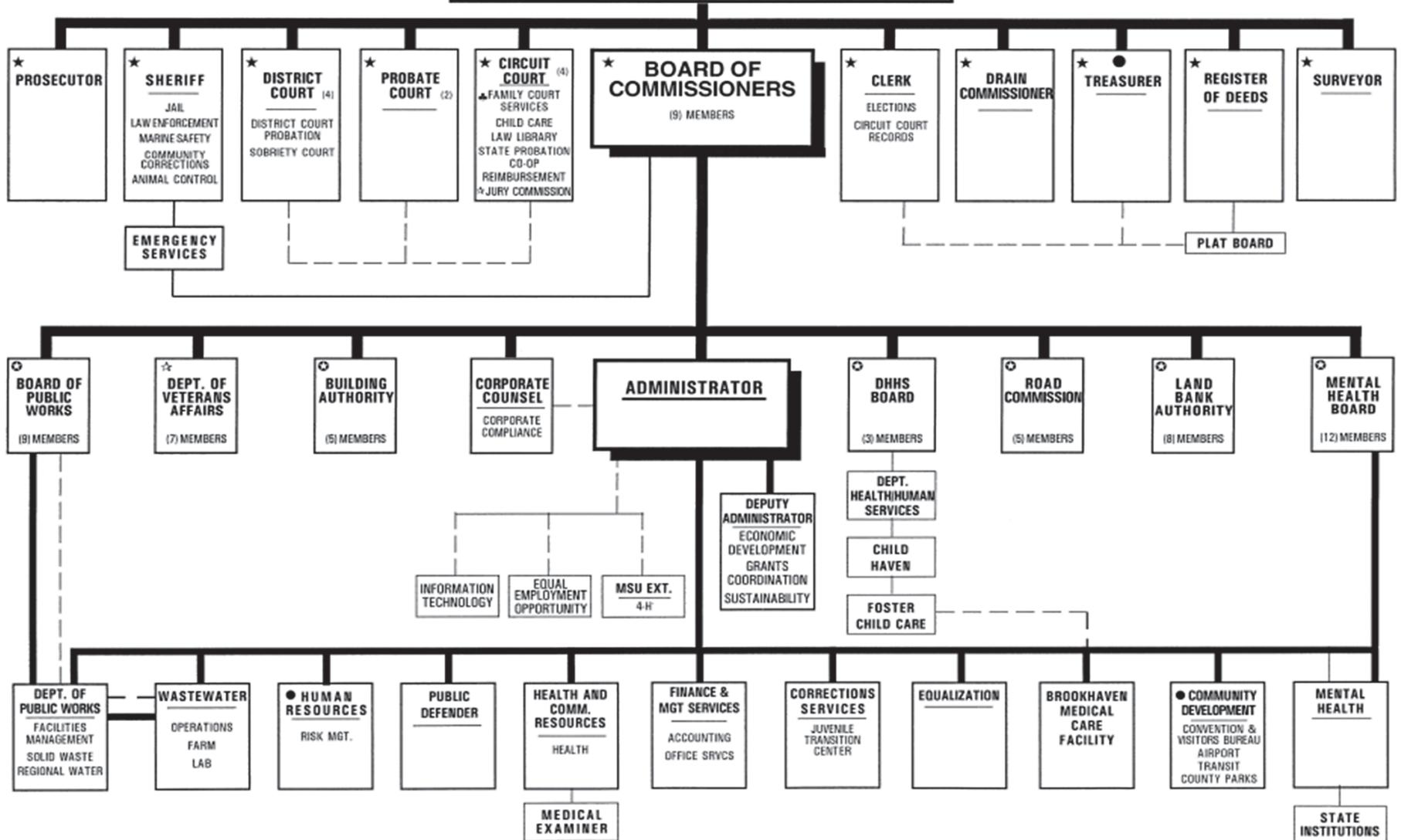
Beth M. Dick, CPA
Director of Finance/Assistant County Administrator



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

2016 ORGANIZATIONAL CHART

ELECTORATE MUSKEGON COUNTY



LEGEND: ★ ELECTED POSITION ☆ STATE APPOINTMENT OR CONCURRENCE ⦿ AUTONOMOUS OR SEMI-AUTONOMOUS FUNCTION (MEMBERS APPOINTED BY BOARD OF COMMISSIONERS) ● INTRAGOVERNMENTAL † FAMILY COURT SERVICES CONSISTS OF: FRIEND OF THE COURT, FOC CO-OP REIMBURSEMENT, FAMILY COUNSELING SERVICE, JUVENILE COURT AND INTENSIVE PROBATION - - - - - RELATED FUNCTION (OPERATIONS)



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, 2014

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

March 28, 2016

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, 2015, 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 93 percent, 94 percent, and 94 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. In addition, we did not audit the financial statements of the HealthWest fund, a major special revenue fund and therefore its own separate opinion unit. 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 HealthWest 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, 2015, 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.

Implementation of GASB Statement No. 68

As described in Note 19, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. Accordingly, beginning net position of governmental activities, the Airport enterprise fund, the Regional Water enterprise fund, the Wastewater enterprise fund, the Brookhaven Medical Care Facility enterprise fund, the Solid Waste enterprise fund, nonmajor enterprise funds, business-type activities, and the aggregate discretely-presented component units was restated. Our opinion is not modified with respect to this matter.

Restatement of Beginning Net Position

As described in Note 19, beginning net position of the governmental activities, the Airport enterprise fund, the Regional Water enterprise fund, the Wastewater enterprise fund, the Brookhaven Medical Care Facility enterprise fund, the Solid Waste enterprise fund, nonmajor enterprise funds, and business-type activities was restated to appropriately allocate the net other postemployment benefits obligation to the respective opinion units. Our opinion is not modified with respect to this matter.

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 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 28, 2016, 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 Johnson LLC". The signature is written in a cursive style with a large, prominent 'R' at the beginning.

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, 2015. 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 *assets and deferred outflows of resources* of the County of Muskegon exceeded its *liabilities and deferred inflows of resources* at September 30, 2015; the difference representing net position of \$101.3 million. Of this amount, a negative \$34.2 million *unrestricted net position* resulted from the implementation of Governmental Accounting Standards Board (GASB) Statement Nos. 68 and 71 and the requirement to record a net pension liability in the amount of \$72.3 million on the government-wide financial statements. *Restricted net position* of \$2.6 million may be used for the County's ongoing obligations related to programs with external restrictions. The County's *net investment in capital assets* was \$132.9 million.
- The Muskegon County primary government's *net position* decreased by \$77.7 million to \$101.3 million from \$179.0 million reported at the prior year end due primarily to the implementation of GASBs 68 and 71 and the resulting downward restatement of beginning net position of \$63.0 million. The standards resulted in establishing a *deferred outflows of resources* balance of \$6.9 million related to the County's pension contributions made subsequent to the measurement date of December 31, 2014, and the *net pension liability* of \$72.3 million. GASB 68 also changes the way the County measures pension costs under the accrual basis of accounting. Under GASB 68, pension expense reflects the change in net pension liability and related deferred outflows and inflows of resources. This is different than the prior accounting standard, where the expense had been measured as the County's actuarially determined Annual Required Contribution (ARC).
- The County's *net position* decreased approximately \$14.7 million as a result of this year's operations. Net position of governmental activities decreased by approximately \$13.4 million and net position of business-type activities increased by approximately \$1.3 million compared the prior year balances.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending *fund balances* of \$18.0 million, a decrease of \$18.1 million in comparison with the prior year ending fund balance of \$36.1. Approximately \$7.9 million (44.0%) of the governmental funds total amount is *unassigned fund balance* in the General Fund.
- *Capital assets* related to governmental activities increased by \$4.4 million to \$99.2 million. The change resulted from \$16.3 million of current year spending on the Jail/Juvenile Transition Center construction project plus \$0.7 million spending on other capital projects, which was offset by the \$12.6 million depreciation of capital assets used in governmental activities.
- The County issued two series of general obligation *advance refunding bonds* during the year in the amounts of \$16.185 million (local government wastewater system bonds) and \$6.55 million (regional water system) replacing two series 2006 bonds issues, for a net present value savings of approximately \$2.2 million. There were also \$12 million in delinquent tax anticipation notes (DTANs) issues, \$6.1 million in general obligation limited tax bonds to finance capital projects and \$0.13 million in various capital lease obligations.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

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, cultural, recreation, and interest expense. The business-type activities of the County include Brookhaven Medical Care, delinquent tax revolving, local government public works financing, solid waste, airport operations, regional water, wastewater, and other enterprise funds.

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 Authority 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.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

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, HealthWest special revenue 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 Brookhaven Medical Care, delinquent tax revolving, local government public works financing, solid waste, airport operations, regional water, wastewater, and other enterprise funds 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, and insurance. 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 Brookhaven Medical Care, delinquent tax revolving, local government public works financing, solid waste, airport operations, regional water, wastewater, and other enterprise funds which are considered to be major funds of the County. Conversely, nonmajor enterprise funds and internal service funds are combined into single, aggregate presentations in the proprietary fund financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

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 and OPEB 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 \$101.3 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	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current and other assets	\$ 39.2	\$ 56.5	\$ 93.9	\$ 89.3	\$ 133.1	\$ 145.8
Capital assets, net	99.2	94.8	168.7	171.0	267.9	265.8
Total assets	138.4	151.3	262.6	260.3	401.0	411.6
DEFERRED OUTFLOWS OF RESOURCES	5.7	0.1	1.7	-	7.4	0.1
LIABILITIES						
Long-term liabilities	70.5	71.4	135.3	132.4	205.8	203.8
Other liabilities	82.8	24.5	18.5	4.4	101.3	28.9
Total liabilities	153.3	95.9	153.8	136.8	307.1	232.7
NET POSITION						
Net investment in capital assets	38.2	51.9	94.7	96.6	132.9	148.5
Restricted	2.6	3.1	-	-	2.6	3.1
Unrestricted (deficit)	(50.0)	0.5	15.8	26.9	(34.2)	27.4
Total net position	\$ (9.2)	\$ 55.5	\$ 110.5	\$ 123.5	\$ 101.3	\$ 179.0

By far the largest portion of the County's net position 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 represents resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit unrestricted net position amount of \$34.2.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

Statement of Activities. The County's total revenue for the fiscal year ended September 30, 2015, was approximately \$180.6 million while total cost of all programs and services was \$195.4 million. This results in a decrease in net position of \$14.7 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	
	2015	2014	2015	2014	2015	2014
REVENUES						
Program revenues:						
Charges for services	\$ 66.6	\$ 68.4	\$ 41.8	\$ 43.0	\$ 108.4	\$ 111.4
Operating grants	26.5	26.8	4.7	2.1	31.2	28.9
Capital grants	0.9	0.7	4.3	4.6	5.2	5.3
General revenues:						
Property taxes	25.7	25.2	-	-	25.7	25.2
Other taxes	2.6	2.5	-	-	2.6	2.5
State shared revenue	3.6	2.9	-	-	3.6	2.9
Other	3.9	6.9	-	-	3.9	6.9
Total revenues	<u>129.8</u>	<u>133.4</u>	<u>50.8</u>	<u>49.7</u>	<u>180.6</u>	<u>183.1</u>
PROGRAM EXPENSES						
General government	30.6	20.5	-	-	30.6	20.5
Legislative	0.3	0.4	-	-	0.3	0.4
Judicial	8.5	9.0	-	-	8.5	9.0
Public safety	16.5	17.6	-	-	16.5	17.6
Health	78.2	83.5	-	-	78.2	83.5
Welfare	6.4	7.7	-	-	6.4	7.7
Cultural	0.3	0.3	-	-	0.3	0.3
Recreation	0.9	1.0	-	-	0.9	1.0
Interest	3.1	2.9	-	-	3.1	2.9
Brookhaven	-	-	13.8	13.1	13.8	13.1
Delinquent tax revolving	-	-	0.9	2.5	0.9	2.5
Local govt public works financing	-	-	1.3	1.3	1.3	1.3
Solid waste	-	-	6.0	2.8	6.0	2.8
Airport operations	-	-	2.8	2.9	2.8	2.9
Regional water	-	-	3.5	3.1	3.5	3.1
Wastewater	-	-	16.5	17.3	16.5	17.3
Other enterprise funds	-	-	5.7	3.2	5.7	3.2
Total program expenses	<u>144.8</u>	<u>142.9</u>	<u>50.5</u>	<u>46.2</u>	<u>195.3</u>	<u>189.1</u>
Excess (deficiency) before transfers and special item	(15.0)	(9.5)	0.3	3.5	(14.7)	(6.0)
Transfers	1.6	1.7	(1.6)	(1.7)	-	-
Special item	-	(3.5)	-	-	-	(3.5)
Increase (decrease) in net position	<u>(13.4)</u>	<u>(11.3)</u>	<u>(1.3)</u>	<u>1.8</u>	<u>(14.7)</u>	<u>(9.5)</u>
Net position-beginning, as previously reported	55.5	66.8	123.5	121.7	179.0	188.5
Restatement	(51.3)	-	(11.7)	-	(63.0)	-
Net position-beginning, restated	<u>4.2</u>	<u>66.8</u>	<u>111.8</u>	<u>121.7</u>	<u>116.0</u>	<u>188.5</u>
Net position(deficit)-ending	<u>\$ (9.2)</u>	<u>\$ 55.5</u>	<u>\$ 110.5</u>	<u>\$ 123.5</u>	<u>\$ 101.3</u>	<u>\$ 179.0</u>

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

The County's net position decreased by \$14.7 million during the current fiscal year and \$9.5 million in the prior fiscal year. See Note 19 in the notes to the financial statements for details regarding the above restatement of beginning net position, which primarily pertains to the implementation of GASB 68.

Governmental Activities. The preceding table shows that the governmental activities operations decreased the County's net position by approximately \$13.3 million during this fiscal year. The decrease is primarily the result of (a) pension expense of \$6.9 million, and (b) a \$7.88 million increase in general government depreciation expense for certain assets being deemed to have no useful life following fiscal year 2016 that had been originally estimated to last 29 years beyond that; depreciation of these particular assets had been \$0.54 million a year for their first 14 years, but increased to \$8.43 million a year for each of the two remaining fiscal years, 2015 and 2016.

Business-type Activities. Business-type activities decreased the County's net position by approximately \$1.3 million during the year. Overall, this decrease is primarily the result of fiscal 2015 pension cost of \$1.4 million and retiree health cost of \$0.9 million.

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 \$18.0 million, an decrease of \$18.1 million from the prior year. This decrease was primarily due to (a) \$16.3 million of current year expenditures from the County Jail/Juvenile Transition Center (JTC) capital project fund, and (b) \$1.9 million of current year interest expenditures from debt service reserve funds remaining from the portion of proceeds of the Jail/JTC bonds that had been set aside to pay for semi-annual interest-only payments on the Jail/JTC bonds through April 2016.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7.9 million while total fund balance amounted to \$9.6 million. The general fund's total fund balance decreased from the prior year by only \$0.13 million. At September 30, 2015, general fund *unassigned fund balance* approximated 16.5% of reported general fund expenditures plus transfers out for the year then ended, which compares with approximately 12.4% at the end of the prior year. This 4.1 percentage point favorable increase in unassigned fund balance resulted primarily from the collection from other funds of \$2.3 million of long-term advances.

The HealthWest special revenue fund had a current year decrease in fund balance amounting to \$0.3 million, resulting in ending fund balance of \$0.3 million. Additional details can be located in its separately issued financial statements of the HealthWest fund, formerly known as Community Mental Health Services of Muskegon County.

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.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

The Muskegon County enterprise funds provide service to most residents and businesses of the County and reported a decrease in net position of \$1.3 million. The local government public works financing fund operates on a breakeven basis. The composition of the net position of the County's enterprise funds as September 30, 2015, is shown in the table that follows.

Enterprise Funds Net Position (dollars in 000s)	Net Investment in Capital Assets	Unrest- ricted Net Position	Total Net Position
Brookhaven Medical Care Facility	\$ 874	\$ (4,896)	\$ (4,022)
Delinquent tax revolving	-	4,531	4,531
Local government public works	-	487	487
Solid waste	4,853	(1,258)	3,595
Airport	29,085	(131)	28,954
Regional water	2,187	5,080	7,267
Wastewater	47,102	13,919	61,021
Nonmajor enterprise funds	10,663	(1,950)	8,713
Total net position	<u>\$ 94,764</u>	<u>\$ 15,782</u>	<u>\$ 110,546</u>

Information regarding funds with deficit unrestricted net position balances can be found in Note 3 of this report.

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 \$1.01 million following an increase in taxable values of 1.38%.
- Charges for services were amended downward by \$0.98 million, of which \$0.70 million of the decrease was due to a change of flow of State substance use disorder (SUD) funding, which previously passed through the general fund, but is now receipted directly into the County departments providing the SUD services.
- Contributions from private sources revenue was amended upward by \$1.35 million for the DTE Energy Test and Tune-up Program, with a corresponding increase in general government program expenditures for providing testing and either repair or potential replacement of natural gas furnaces at little or no cost to income-eligible homeowners.
- General government expenditures were increased by \$0.31 million due to an increase in information technology chargeback of infrastructure depreciation and \$1.09 million due to increases in salary and fringe benefit expenditures.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

CAPITAL ASSET AND DEBT ADMINISTRATION

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

	CAPITAL ASSETS (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 4.5	\$ 4.5	\$ 20.3	\$ 20.0	\$ 24.8	\$ 24.5
Construction in progress	32.8	24.0	2.2	0.7	35.0	24.7
	37.3	28.5	22.5	20.7	59.8	49.2
Depreciable capital assets	118.5	112.5	282.2	278.1	400.7	390.6
Accumulated depreciation	(56.6)	(46.2)	(136.0)	(127.8)	(192.6)	(174.0)
Total capital assets, net	\$ 99.2	\$ 94.8	\$ 168.7	\$ 171.0	\$ 267.9	\$ 265.8

As of September 30, 2015, net capital assets used in governmental activities increased by \$4.4 million, or 4.6%, over the prior year. This year-to-year change represents about \$17.2 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 \$16.3 million, or 94.7%, of governmental activities capital additions.

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

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

	OUTSTANDING DEBT (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Bonds	\$ 63.3	\$ 62.9	\$ 97.4	\$ 100.7	\$ 160.7	\$ 163.6
Delinquent tax notes	-	-	16.0	16.0	16.0	16.0
Other debt	0.4	1.2	-	-	0.4	1.2
Total installment debt	63.7	64.1	113.4	116.7	177.1	180.8
Deferred premium	0.2	0.2	3.2	0.4	3.4	0.6
Closure and sludge cost	-	-	17.3	13.9	17.3	13.9
Compensated absences	6.6	7.1	1.4	1.4	8.0	8.5
Totals	\$ 70.5	\$ 71.4	\$ 135.3	\$ 132.4	\$ 205.8	\$ 203.8

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 \$487 million, which is significantly in excess of the County's approximately \$177.1 million of outstanding general obligation debt.

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

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following table shows a summary of the County General Fund changes in fund balance for the last two fiscal years along with a summary of the original fiscal 2016 balanced budget.

	General Fund Changes in Fund (dollars in thousands)		
	2016 Budget	2015	2014
Revenues	\$ 46,283	\$ 45,733	\$ 43,745
Expenditures			
General government	17,672	17,871	16,079
Legislative	376	345	344
Judicial	8,568	7,998	7,888
Public safety	13,495	13,036	13,467
Cultural	197	211	200
Total expenditures	40,308	39,461	37,978
Revenues over/(under) expenditures	5,975	6,272	5,767
Other financing sources/(uses)			
Transfers in	2,721	2,300	2,889
Transfers out	(8,696)	(8,705)	(8,761)
Other	-	1	21
Total other financing sources/(uses)	(5,975)	(6,404)	(5,851)
Changes in fund balance	-	(132)	(84)
Fund balance, beginning	9,573	9,705	9,789
Fund balance, ending	\$ 9,573	\$ 9,573	\$ 9,705

The following economic factors were considered in preparing the County's budget for the 2016 fiscal year:

- Following yearly declines from 2009 through 2013, Muskegon County property values rose for the second consecutive year by 1.38% in 2015, up from a 0.64% increase in 2014. Property tax revenues were budgeted conservatively to be essentially flat with the prior year.
- State revenue sharing is budgeted to remain the same at \$3.6 million based on the state budget allocation.
- The general fund net share of the County's allocation of State liquor tax revenues was reduced by \$470,000 in the 2016 budget.
- The operational budget for the new jail incorporated an increase in revenue of \$1.2 million for the housing 100 state prisoners in the new facility. In addition, offsetting this increase in revenue are increased expenditures for higher utility costs and medical costs for the larger jail population.
- Effective with the start of fiscal 2016, the state regionalized Michigan Works! which resulted in the County no longer having a Department of Employment and Training, which previously administered the area's workforce development system. This department's separation from the County resulted in a loss of revenue to the general fund for administrative cost allocation of approximately \$76,000.

COUNTY OF MUSKEGON, MICHIGAN

Management's Discussion and Analysis

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.

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BASIC FINANCIAL STATEMENTS

COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Position September 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 10,565,715	\$ 47,385,280	\$ 57,950,995	\$ 6,700,242
Receivables, net	24,348,284	46,162,045	70,510,329	4,700,204
Internal balances	2,156,454	(2,156,454)	-	-
Other assets	2,079,281	126,760	2,206,041	2,016,154
Restricted assets	-	2,186,246	2,186,246	-
Advances to component units	21,500	225,000	246,500	-
Capital assets not being depreciated	37,296,180	22,486,043	59,782,223	25,879,245
Capital assets being depreciated, net	61,839,396	146,248,989	208,088,385	47,055,098
Total assets	<u>138,306,810</u>	<u>262,663,909</u>	<u>400,970,719</u>	<u>86,350,943</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	107,800	455,350	563,150	-
Deferred pension amounts	5,604,743	1,259,102	6,863,845	1,011,514
Total deferred outflows of resources	<u>5,712,543</u>	<u>1,714,452</u>	<u>7,426,995</u>	<u>1,011,514</u>
LIABILITIES				
Payables	11,579,036	2,643,607	14,222,643	1,031,518
Accrued liabilities	5,253,202	1,681,365	6,934,567	778,878
Advances from primary government	-	-	-	246,500
Unearned revenue	347,825	14,940	362,765	413,182
Long-term liabilities:				
Due within one year	3,539,947	19,343,950	22,883,897	286,000
Due in more than one year	66,971,884	115,923,376	182,895,260	473,806
Net pension liability	60,009,664	12,285,356	72,295,020	6,542,685
Net other postemployment benefit obligation	5,586,919	1,940,058	7,526,977	11,630
Total liabilities	<u>153,288,477</u>	<u>153,832,652</u>	<u>307,121,129</u>	<u>9,784,199</u>
NET POSITION				
Net investment in capital assets	38,122,572	94,763,690	132,886,262	72,524,343
Restricted for:				
Grant programs and other activities	2,555,740	-	2,555,740	-
Capital projects	42,373	-	42,373	-
Nonexpendable endowments	36,947	-	36,947	-
Unrestricted (deficit)	(50,026,756)	15,782,019	(34,244,737)	5,053,915
Total net position	<u>\$ (9,269,124)</u>	<u>\$ 110,545,709</u>	<u>\$ 101,276,585</u>	<u>\$ 77,578,258</u>

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

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Activities
For the Year Ended September 30, 2015

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 30,567,232	\$ 6,061,217	\$ 4,438,037	\$ 450,760
Legislative	336,954	-	-	-
Judicial	8,517,290	2,750,157	522,225	-
Public safety	16,461,100	964,678	1,159,574	489,717
Health	78,245,407	55,575,518	12,834,100	-
Welfare	6,391,598	-	7,502,092	-
Cultural	293,684	-	81,871	-
Recreation	949,968	755,608	-	-
Interest	3,096,099	507,822	-	-
Total governmental activities	<u>144,859,332</u>	<u>66,615,000</u>	<u>26,537,899</u>	<u>940,477</u>
Business-type activities:				
Brookhaven Medical Care	13,775,588	12,379,775	1,440	-
Delinquent Tax Revolving	936,562	3,364,940	55,951	-
Local government public works financing	1,251,593	1,370,309	4,725	-
Solid waste	6,041,547	2,954,694	101,373	-
Airport operations	2,802,638	1,039,251	13,669	1,481,885
Regional water	3,515,114	3,098,727	87,932	-
Wastewater	16,514,126	16,978,371	605,611	-
Other enterprise funds	5,729,321	682,680	3,800,955	2,820,698
Total business-type activities	<u>50,566,489</u>	<u>41,868,747</u>	<u>4,671,656</u>	<u>4,302,583</u>
Total primary government	<u>\$ 195,425,821</u>	<u>\$ 108,483,747</u>	<u>\$ 31,209,555</u>	<u>\$ 5,243,060</u>
Component units				
Road Commission	\$ 15,019,994	\$ 2,838,601	\$ 9,854,847	\$ 6,086,141
Drainage Districts	637,604	430,376	29,202	96,536
Land Bank Authority	341,050	513,637	-	-
Total component units	<u>\$ 15,998,648</u>	<u>\$ 3,782,614</u>	<u>\$ 9,884,049</u>	<u>\$ 6,182,677</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
 Total general revenues and transfers

Change in net position
 Net position, beginning of year, as restated
 Net position, end of year

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

Net (Expense) Revenue and Change in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (19,617,218)	\$ -	\$ (19,617,218)	\$ -
(336,954)	-	(336,954)	-
(5,244,908)	-	(5,244,908)	-
(13,847,131)	-	(13,847,131)	-
(9,835,789)	-	(9,835,789)	-
1,110,494	-	1,110,494	-
(211,813)	-	(211,813)	-
(194,360)	-	(194,360)	-
(2,588,277)	-	(2,588,277)	-
<u>(50,765,956)</u>	<u>-</u>	<u>(50,765,956)</u>	<u>-</u>
-	(1,394,373)	(1,394,373)	-
-	2,484,329	2,484,329	-
-	123,441	123,441	-
-	(2,985,480)	(2,985,480)	-
-	(267,833)	(267,833)	-
-	(328,455)	(328,455)	-
-	1,069,856	1,069,856	-
-	1,575,012	1,575,012	-
-	<u>276,497</u>	<u>276,497</u>	<u>-</u>
<u>(50,765,956)</u>	<u>276,497</u>	<u>(50,489,459)</u>	<u>-</u>
-	-	-	3,759,595
-	-	-	(81,490)
-	-	-	172,587
-	-	-	<u>3,850,692</u>
<u>(50,765,956)</u>	<u>276,497</u>	<u>(50,489,459)</u>	<u>3,850,692</u>
25,674,271	-	25,674,271	-
1,462,784	-	1,462,784	-
1,152,610	-	1,152,610	-
3,594,788	-	3,594,788	-
1,204,151	-	1,204,151	76,443
-	-	-	21,817
2,666,526	-	2,666,526	78,434
1,598,549	(1,598,549)	-	-
<u>37,353,679</u>	<u>(1,598,549)</u>	<u>35,755,130</u>	<u>176,694</u>
(13,412,277)	(1,322,052)	(14,734,329)	4,027,386
4,143,153	111,867,761	116,010,914	73,550,872
<u>\$ (9,269,124)</u>	<u>\$ 110,545,709</u>	<u>\$ 101,276,585</u>	<u>\$ 77,578,258</u>

COUNTY OF MUSKEGON, MICHIGAN

Balance Sheet

Governmental Funds

September 30, 2015

	General Fund (1010)	HealthWest (2220)	Capital Projects Jail / JTC Building (4660)	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ -	\$ 97,857	\$ 2,831,152	\$ 6,457,222	\$ 9,386,231
Receivables, net:					
Accounts	65,186	775,773	-	298,319	1,139,278
Due from other governments	1,675,931	6,624,353	-	4,988,630	13,288,914
Accrued interest	-	-	-	141	141
Property taxes	8,278,841	-	-	-	8,278,841
Long-term notes	45,000	-	-	850,000	895,000
Prepaid and other items	25,875	102,402	-	60	128,337
Inventories	-	-	-	15,630	15,630
Advances to other funds	1,484,385	-	-	-	1,484,385
Advances to component units	21,500	-	-	-	21,500
Total assets	<u>\$ 11,596,718</u>	<u>\$ 7,600,385</u>	<u>\$ 2,831,152</u>	<u>\$ 12,610,002</u>	<u>\$ 34,638,257</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Negative equity in pooled cash	\$ 480,515	\$ -	\$ -	\$ 4,101,005	\$ 4,581,520
Payables:					
Accounts payable	502,737	3,410,976	1,532,203	1,096,827	6,542,743
Due to other governments	177,996	3,806,458	-	31,846	4,016,300
Accrued liabilities	862,659	-	-	308,021	1,170,680
Unearned revenue	-	50,000	-	277,226	327,226
Total liabilities	<u>2,023,907</u>	<u>7,267,434</u>	<u>1,532,203</u>	<u>5,814,925</u>	<u>16,638,469</u>
Fund balances:					
Nonspendable	1,576,760	102,402	-	902,637	2,581,799
Restricted	69,700	230,549	-	5,450,444	5,750,693
Committed	-	-	1,298,949	391,281	1,690,230
Assigned	-	-	-	50,715	50,715
Unassigned	7,926,351	-	-	-	7,926,351
Total fund balances	<u>9,572,811</u>	<u>332,951</u>	<u>1,298,949</u>	<u>6,795,077</u>	<u>17,999,788</u>
Total liabilities and fund balances	<u>\$ 11,596,718</u>	<u>\$ 7,600,385</u>	<u>\$ 2,831,152</u>	<u>\$ 12,610,002</u>	<u>\$ 34,638,257</u>

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, 2015

Fund balances - total governmental funds	\$ 17,999,788
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.	
Capital assets not being depreciated	35,402,753
Capital assets being depreciated, net	45,610,224
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	9,023,755
Certain pension-related amounts, such as the net pension liability and deferred amounts, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the funds.	
Net pension liability	(60,009,664)
Deferred outflows related to the net pension liability	5,604,743
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	(49,755,604)
Unamortized deferred loss on bond refunding	107,800
Compensated absences	(6,392,407)
Accrued interest on long-term debt	(1,107,163)
Retirement incentive	(166,430)
Net other postemployment benefit obligation	(5,586,919)
Net position of governmental activities	<u>\$ (9,269,124)</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, 2015

	General Fund (1010)	HealthWest (2220)	Capital Projects Jail / JTC Building (4660)	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 25,756,348	\$ -	\$ -	\$ 2,553,100	\$ 28,309,448
Licenses and permits	63,309	-	-	-	63,309
Grants and contributions:					
Federal	2,981,992	1,100,864	-	8,248,766	12,331,622
State	5,454,536	3,674,139	-	7,156,947	16,285,622
Local	1,372,203	320,165	-	349,841	2,042,209
Charges for services	8,177,439	54,720,315	-	2,632,243	65,529,997
Fines and forfeitures	522,857	-	-	386	523,243
Investment income	114,423	-	30,389	59,052	203,864
Rentals	176,590	-	-	930,900	1,107,490
Other	1,113,118	291,385	-	596,152	2,000,655
Total revenues	<u>45,732,815</u>	<u>60,106,868</u>	<u>30,389</u>	<u>22,527,387</u>	<u>128,397,459</u>
EXPENDITURES					
Current:					
General government	17,871,224	-	-	2,404,441	20,275,665
Legislative	345,331	-	-	-	345,331
Judicial	7,998,088	-	-	386,421	8,384,509
Public safety	13,036,218	-	-	1,841,437	14,877,655
Health	-	61,161,211	-	15,417,427	76,578,638
Welfare	-	-	-	6,691,944	6,691,944
Cultural	210,880	-	-	84,947	295,827
Recreation	-	-	-	644,666	644,666
Debt service:					
Principal	-	-	-	1,800,000	1,800,000
Interest and fiscal charges	-	-	-	2,363,255	2,363,255
Bond issuance expense	-	-	-	22,370	22,370
Capital outlay	-	-	16,293,393	600,005	16,893,398
Total expenditures	<u>39,461,741</u>	<u>61,161,211</u>	<u>16,293,393</u>	<u>32,256,913</u>	<u>149,173,258</u>
Revenues over (under) expenditures	<u>6,271,074</u>	<u>(1,054,343)</u>	<u>(16,263,004)</u>	<u>(9,729,526)</u>	<u>(20,775,799)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt	-	-	-	955,000	955,000
Premium on issuance of long-term debt	-	-	-	25,603	25,603
Transfers in	2,300,031	786,935	-	7,625,699	10,712,665
Transfers out	(8,704,527)	-	-	(469,529)	(9,174,056)
Proceeds from sale of capital assets	1,347	-	-	167,208	168,555
Total other financing sources (uses)	<u>(6,403,149)</u>	<u>786,935</u>	<u>-</u>	<u>8,303,981</u>	<u>2,687,767</u>
Net change in fund balances	<u>(132,075)</u>	<u>(267,408)</u>	<u>(16,263,004)</u>	<u>(1,425,545)</u>	<u>(18,088,032)</u>
Fund balances, beginning of year	9,704,886	600,359	17,561,953	8,220,622	36,087,820
Fund balances, end of year	<u>\$ 9,572,811</u>	<u>\$ 332,951</u>	<u>\$ 1,298,949</u>	<u>\$ 6,795,077</u>	<u>\$ 17,999,788</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, 2015

Net change in fund balances - total governmental funds \$ (18,088,032)

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	16,342,565
Depreciation expense	(10,424,418)
Proceeds on the sale of capital assets	(168,555)
Gain on sale of capital assets	53,606

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	(955,000)
Premium on issuance of long-term debt	(25,603)
Principal payments on long-term liabilities	1,800,000

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	(17,754)
Change in the accrual for compensated absences	653,213
Change in the retirement incentive	(166,430)
Change in net pension liability and related deferred amounts	(2,029,499)
Change in net other postemployment benefit obligation	(2,515,873)

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	1,000,287
Interest expense and bond issuance cost from internal service funds	(692,720)
Loss on sale of capital assets from internal service funds	(171,980)
Operating loss from governmental activities in internal service funds	1,483,216
Capital contributions to internal service funds	450,760
Transfers in to internal service funds	59,940

Change in net position of governmental activities \$ (13,412,277)

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, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES				
Taxes	\$ 24,764,283	\$ 25,777,916	\$ 25,756,348	\$ (21,568)
Licenses and permits	96,000	64,000	63,309	(691)
Grants and contributions:				
Federal	2,990,276	3,041,957	2,981,992	(59,965)
State	5,272,677	5,366,773	5,454,536	87,763
Local	-	1,352,000	1,372,203	20,203
Charges for services	9,164,135	8,189,057	8,177,439	(11,618)
Fines and forfeitures	552,100	523,500	522,857	(643)
Investment income	140,000	187,313	114,423	(72,890)
Rentals	178,002	176,945	176,590	(355)
Other	872,593	999,645	1,113,118	113,473
Total revenues	<u>44,030,066</u>	<u>45,679,106</u>	<u>45,732,815</u>	<u>53,709</u>
EXPENDITURES				
Current:				
General government	15,512,548	18,127,698	17,871,224	(256,474)
Legislative	369,320	347,679	345,331	(2,348)
Judicial	8,032,275	8,127,415	7,998,088	(129,327)
Public safety	13,291,123	13,036,417	13,036,218	(199)
Cultural	204,322	209,923	210,880	957
Total expenditures	<u>37,409,588</u>	<u>39,849,132</u>	<u>39,461,741</u>	<u>(387,391)</u>
Revenues over expenditures	<u>6,620,478</u>	<u>5,829,974</u>	<u>6,271,074</u>	<u>441,100</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Delinquent tax fund	2,300,000	2,300,000	2,300,000	-
Other funds	-	-	31	31
Total transfers in	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,300,031</u>	<u>31</u>
Transfers out:				
Child care fund	(4,215,736)	(4,187,976)	(4,207,901)	19,925
Public health fund	(1,913,732)	(1,737,320)	(1,708,859)	(28,461)
Other funds	(2,791,010)	(2,819,304)	(2,787,767)	(31,537)
Total transfers out	<u>(8,920,478)</u>	<u>(8,744,600)</u>	<u>(8,704,527)</u>	<u>(40,073)</u>
Proceeds from sale of capital assets	-	-	1,347	1,347
Total other financing sources (uses)	<u>(6,620,478)</u>	<u>(6,444,600)</u>	<u>(6,403,149)</u>	<u>(41,451)</u>
Net change in fund balances	-	(614,626)	(132,075)	482,551
Fund balances, beginning of year	9,704,886	9,704,886	9,704,886	-
Fund balances, end of year	<u>\$ 9,704,886</u>	<u>\$ 9,090,260</u>	<u>\$ 9,572,811</u>	<u>\$ 482,551</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 - HEALTHWEST SPECIAL REVENUE FUND
 For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES				
Grants and contributions:				
Federal	\$ 296,707	\$ 1,674,483	\$ 1,100,864	\$ (573,619)
State	3,118,751	3,659,903	3,674,139	14,236
Local	209,500	255,800	320,165	64,365
Charges for services:				
Medicaid fee for service and capitation	51,905,978	52,345,829	52,268,954	(76,875)
Other insurance	2,318,600	2,457,200	2,451,361	(5,839)
Investment income	51,200	-	-	-
Other	129,500	2,457,200	291,385	(2,165,815)
Total revenues	<u>58,030,236</u>	<u>62,850,415</u>	<u>60,106,868</u>	<u>(2,743,547)</u>
EXPENDITURES				
Current - Health	<u>58,872,320</u>	<u>61,597,463</u>	<u>61,161,211</u>	<u>(436,252)</u>
Revenues over (under) expenditures	(842,084)	1,252,952	(1,054,343)	(2,307,295)
OTHER FINANCING SOURCES				
Transfers in - General Fund	<u>786,935</u>	-	<u>786,935</u>	<u>786,935</u>
Net change in fund balances	(55,149)	1,252,952	(267,408)	(1,520,360)
Fund balances, beginning of year	600,359	600,359	600,359	-
Fund balances, end of year	<u>\$ 545,210</u>	<u>\$ 1,853,311</u>	<u>\$ 332,951</u>	<u>\$ (1,520,360)</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, 2015

	Business-type Activities - Enterprise Funds			
	Brookhaven Medical Care Facility (5120)	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Solid Waste (5710)
ASSETS				
Current assets:				
Cash and investments	\$ 73,852	\$ 8,478,522	\$ 585,955	\$ 12,417,522
Receivables, net:				
Accounts	1,134,242	20,010	1,200	189,537
Due from other governments	-	-	-	11,532
Accrued interest	-	-	-	-
Taxes	-	12,271,721	-	-
Notes	-	-	-	-
Leases	-	-	1,610,543	-
Special assessments	-	-	-	-
Prepays	-	-	-	-
Inventories	68,371	-	-	7,232
Total current assets	<u>1,276,465</u>	<u>20,770,253</u>	<u>2,197,698</u>	<u>12,625,823</u>
Noncurrent assets:				
Advances to other funds	-	-	-	78,515
Advances to component units	-	225,000	-	-
Deposits held with others	-	-	-	-
Restricted assets	-	-	-	2,056,290
Notes receivable	-	-	-	-
Leases receivable	-	-	24,375,297	-
Special assessments receivable	-	-	-	-
Capital assets not being depreciated	3,388	-	-	909,629
Capital assets being depreciated, net	870,762	-	-	3,943,711
Total noncurrent assets	<u>874,150</u>	<u>225,000</u>	<u>24,375,297</u>	<u>6,988,145</u>
Total assets	<u>2,150,615</u>	<u>20,995,253</u>	<u>26,572,995</u>	<u>19,613,968</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	-	-	328,300	-
Deferred pension amounts	422,146	-	-	122,531
Total deferred outflows of resources	<u>422,146</u>	<u>-</u>	<u>328,300</u>	<u>122,531</u>

Business-type Activities - Enterprise Funds					Governmental Activities
Airport (5810)	Regional Water (5910)	Wastewater (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 1,343,686	\$ 4,088,923	\$ 20,737,049	\$ 942,197	\$ 48,667,706	\$ 5,761,004
69,464	1,046,422	497,183	9,144	2,967,202	365,781
23,787	300,600	816,897	1,560,099	2,712,915	15,048
-	-	-	-	-	165,281
-	-	-	-	12,271,721	-
-	5,674	161,173	-	166,847	-
-	-	-	-	1,610,543	-
-	175,285	-	-	175,285	-
1,652	-	-	-	1,652	1,148,973
-	-	49,505	-	125,108	-
<u>1,438,589</u>	<u>5,616,904</u>	<u>22,261,807</u>	<u>2,511,440</u>	<u>68,698,979</u>	<u>7,456,087</u>
-	-	-	-	78,515	750,584
-	-	-	-	225,000	-
-	-	-	-	-	786,341
-	-	-	129,956	2,186,246	-
-	36,425	1,024,856	-	1,061,281	200,000
-	-	-	-	24,375,297	-
-	820,954	-	-	820,954	-
13,345,633	9,000	7,863,640	354,753	22,486,043	1,893,427
15,738,986	15,979,388	99,408,403	10,307,739	146,248,989	16,229,172
<u>29,084,619</u>	<u>16,845,767</u>	<u>108,296,899</u>	<u>10,792,448</u>	<u>197,482,325</u>	<u>19,859,524</u>
<u>30,523,208</u>	<u>22,462,671</u>	<u>130,558,706</u>	<u>13,303,888</u>	<u>266,181,304</u>	<u>27,315,611</u>
-	127,050	-	-	455,350	-
66,501	24,510	412,442	210,972	1,259,102	-
<u>66,501</u>	<u>151,560</u>	<u>412,442</u>	<u>210,972</u>	<u>1,714,452</u>	<u>-</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Statement of Net Position

Proprietary Funds

September 30, 2015

	Business-type Activities - Enterprise Funds			
	Brookhaven Medical Care Facility (5120)	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Solid Waste (5710)
LIABILITIES				
Current liabilities:				
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -
Payables:				
Accounts payable	524,379	7,378	2,700	42,765
Due to other governments	211,096	-	-	-
Accrued liabilities	172,097	8,432	-	64,621
Accrued interest	-	29,518	333,097	-
Unearned revenue	-	-	-	-
Current portion of accrued closure cost and sludge removal	-	-	-	242,710
Current portion of compensated absences	28,873	-	-	27,873
Current portion of long-term debt	-	12,354,880	1,389,638	-
Total current liabilities	<u>936,445</u>	<u>12,400,208</u>	<u>1,725,435</u>	<u>377,969</u>
Noncurrent liabilities, net of current portion:				
Advances from other funds	1,484,385	-	-	-
Accrued closure cost and sludge removal	-	-	-	13,937,400
Compensated absences	170,111	-	-	164,224
Long-term debt	-	4,063,720	24,688,673	-
Net pension liability	3,050,316	-	-	1,542,384
Net other postemployment benefit obligation	952,983	-	-	119,644
Total noncurrent liabilities	<u>5,657,795</u>	<u>4,063,720</u>	<u>24,688,673</u>	<u>15,763,652</u>
Total liabilities	<u>6,594,240</u>	<u>16,463,928</u>	<u>26,414,108</u>	<u>16,141,621</u>
NET POSITION				
Net investment in capital assets	874,150	-	-	4,853,340
Unrestricted (deficit)	(4,895,629)	4,531,325	487,187	(1,258,462)
Total net position	<u>\$ (4,021,479)</u>	<u>\$ 4,531,325</u>	<u>\$ 487,187</u>	<u>\$ 3,594,878</u>

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

Business-type Activities - Enterprise Funds					Governmental Activities
Airport (5810)	Regional Water (5910)	Wastewater (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ -	\$ -	\$ -	\$ 1,282,426	\$ 1,282,426	\$ -
62,859	507,866	766,386	98,019	2,012,352	852,997
-	420,159	-	-	631,255	166,996
20,378	7,784	123,006	103,462	499,780	2,541,996
-	202,559	616,411	-	1,181,585	266,933
14,380	-	-	560	14,940	20,599
-	-	553,208	37,959	833,877	-
16,135	3,204	79,531	37,758	193,374	23,110
-	551,305	4,020,876	-	18,316,699	745,054
<u>113,752</u>	<u>1,692,877</u>	<u>6,159,418</u>	<u>1,560,184</u>	<u>24,966,288</u>	<u>4,617,685</u>
750,584	-	-	-	2,234,969	78,515
-	-	1,708,007	860,046	16,505,453	-
95,066	18,880	468,579	222,459	1,139,319	136,160
-	13,377,225	56,148,986	-	98,278,604	13,459,496
610,484	231,702	5,005,480	1,844,990	12,285,356	-
66,366	26,397	459,936	314,732	1,940,058	-
<u>1,522,500</u>	<u>13,654,204</u>	<u>63,790,988</u>	<u>3,242,227</u>	<u>132,383,759</u>	<u>13,674,171</u>
<u>1,636,252</u>	<u>15,347,081</u>	<u>69,950,406</u>	<u>4,802,411</u>	<u>157,350,047</u>	<u>18,291,856</u>
29,084,619	2,186,908	47,102,181	10,662,492	94,763,690	3,918,049
(131,162)	5,080,242	13,918,561	(1,950,043)	15,782,019	5,105,706
<u>\$ 28,953,457</u>	<u>\$ 7,267,150</u>	<u>\$ 61,020,742</u>	<u>\$ 8,712,449</u>	<u>\$ 110,545,709</u>	<u>\$ 9,023,755</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2015

	Business-type Activities - Enterprise Funds			
	Brookhaven Medical Care Facility (5120)	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Solid Waste (5710)
Operating revenues:				
Charges for services	\$ 12,369,420	\$ 1,105,981	\$ 120,594	\$ 2,942,715
Farm sales	-	-	-	-
Interest and penalties	-	2,256,663	-	-
Premiums	-	-	-	-
Rentals	7,108	-	-	9,484
Lease interest revenue	-	-	1,074,143	-
Other revenues	3,247	2,296	175,572	2,495
Total operating revenues	<u>12,379,775</u>	<u>3,364,940</u>	<u>1,370,309</u>	<u>2,954,694</u>
Operating expenses:				
Salaries and fringes	6,908,246	289,544	54	1,113,760
Supplies and other operating expenses	6,729,067	516,459	7,839	4,287,868
Insurance benefits and claims	-	-	-	-
Insurance premiums	-	-	-	-
Depreciation	138,275	-	-	639,919
Total operating expenses	<u>13,775,588</u>	<u>806,003</u>	<u>7,893</u>	<u>6,041,547</u>
Operating income (loss)	<u>(1,395,813)</u>	<u>2,558,937</u>	<u>1,362,416</u>	<u>(3,086,853)</u>
Nonoperating revenues (expenses):				
Grants and contributions:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Interest income	1,440	55,951	4,725	101,373
Interest expense	-	(54,049)	(1,069,594)	-
Bond issuance cost	-	(76,510)	(174,106)	-
Gain (loss) on sale of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>1,440</u>	<u>(74,608)</u>	<u>(1,238,975)</u>	<u>101,373</u>
Income (loss) before capital contributions, transfers	<u>(1,394,373)</u>	<u>2,484,329</u>	<u>123,441</u>	<u>(2,985,480)</u>
Capital contributions - federal	-	-	-	-
Capital contributions - state	-	-	-	-
Transfers in	350,000	24,034	-	24,889
Transfers out	-	(2,509,139)	-	-
Change in net position	<u>(1,044,373)</u>	<u>(776)</u>	<u>123,441</u>	<u>(2,960,591)</u>
Net position, beginning of year, as restated	<u>(2,977,106)</u>	<u>4,532,101</u>	<u>363,746</u>	<u>6,555,469</u>
Net position, end of year	<u>\$ (4,021,479)</u>	<u>\$ 4,531,325</u>	<u>\$ 487,187</u>	<u>\$ 3,594,878</u>

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

Business-type Activities - Enterprise Funds					Governmental Activities
Airport (5810)	Regional Water (5910)	Wastewater (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 882,518	\$ 2,978,943	\$ 14,550,013	\$ 682,306	\$ 35,632,490	\$ -
-	-	2,288,176	-	2,288,176	-
-	-	-	-	2,256,663	-
-	-	-	-	-	18,667,874
86,411	111,856	-	-	214,859	1,629,318
-	-	-	-	1,074,143	-
70,322	7,928	140,182	374	402,416	7,010,781
<u>1,039,251</u>	<u>3,098,727</u>	<u>16,978,371</u>	<u>682,680</u>	<u>41,868,747</u>	<u>27,307,973</u>
765,272	231,998	3,750,151	3,398,623	16,457,648	1,702,307
754,632	2,148,422	5,043,607	1,427,568	20,915,462	2,366,727
-	-	-	-	-	1,116,772
-	-	-	-	-	18,469,467
1,282,734	435,353	6,249,080	831,915	9,577,276	2,169,484
<u>2,802,638</u>	<u>2,815,773</u>	<u>15,042,838</u>	<u>5,658,106</u>	<u>46,950,386</u>	<u>25,824,757</u>
<u>(1,763,387)</u>	<u>282,954</u>	<u>1,935,533</u>	<u>(4,975,426)</u>	<u>(5,081,639)</u>	<u>1,483,216</u>
1,118	-	-	2,319,177	2,320,295	-
8,324	-	64,921	1,229,118	1,302,363	-
-	-	-	152,350	152,350	-
10,009	87,932	194,740	8,625	464,795	1,000,287
-	(589,359)	(1,457,686)	-	(3,170,688)	(661,568)
-	(109,982)	(84,817)	-	(445,415)	(31,152)
(5,782)	-	410,871	26,764	431,853	(171,980)
<u>13,669</u>	<u>(611,409)</u>	<u>(871,971)</u>	<u>3,736,034</u>	<u>1,055,553</u>	<u>135,587</u>
(1,749,718)	(328,455)	1,063,562	(1,239,392)	(4,026,086)	1,618,803
1,430,276	-	-	2,252,493	3,682,769	450,760
51,609	-	-	568,205	619,814	-
511,667	-	-	-	910,590	59,940
-	-	-	-	(2,509,139)	-
243,834	(328,455)	1,063,562	1,581,306	(1,322,052)	2,129,503
28,709,623	7,595,605	59,957,180	7,131,143	111,867,761	6,894,252
<u>\$ 28,953,457</u>	<u>\$ 7,267,150</u>	<u>\$ 61,020,742</u>	<u>\$ 8,712,449</u>	<u>\$ 110,545,709</u>	<u>\$ 9,023,755</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2015

	Business-type Activities - Enterprise Funds			
	Brookhaven Medical Care Facility (5120)	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Solid Waste (5710)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 12,367,682	\$ 15,576,257	\$ 2,476,160	\$ 3,046,493
Payments to vendors	(6,536,799)	(557,032)	(5,439)	(917,439)
Payments for personnel services	(6,375,452)	(288,999)	(54)	(993,735)
Delinquent taxes purchased	-	(12,888,134)	-	-
Net cash provided by (used in) operating activities	<u>(544,569)</u>	<u>1,842,092</u>	<u>2,470,667</u>	<u>1,135,319</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental receipts	32,223	-	-	33,347
Intergovernmental payments	-	(2,485,105)	-	-
Federal and/or state grants	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>32,223</u>	<u>(2,485,105)</u>	<u>-</u>	<u>33,347</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from issuance of long-term debt	-	12,000,000	-	-
Proceeds received on refunded bonds	-	-	16,185,000	-
Cash transferred to escrow for defeased bonds	-	-	(17,963,379)	-
Premium on issuance of long-term debt	-	418,600	-	-
Premium on issuance of refunded bonds	-	-	1,953,311	-
Principal paid on long-term debt	-	(12,000,000)	(1,195,000)	-
Interest paid on long-term debt	-	(131,510)	(1,324,623)	-
Capital contributions received	-	-	-	-
Proceeds of borrowing from cash pool, net	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Purchase of capital assets	(3,389)	-	-	(338,639)
Net cash provided by (used in) capital and related financing activities	<u>(3,389)</u>	<u>287,090</u>	<u>(2,344,691)</u>	<u>(338,639)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>1,440</u>	<u>55,951</u>	<u>4,725</u>	<u>101,373</u>
Net increase (decrease) in cash and investments	(514,295)	(299,972)	130,701	931,400
Cash and investments, beginning of year	588,147	8,778,494	455,254	11,486,122
Cash and investments, end of year	<u>\$ 73,852</u>	<u>\$ 8,478,522</u>	<u>\$ 585,955</u>	<u>\$ 12,417,522</u>

Business-type Activities - Enterprise Funds					Governmental Activities
Airport (5810)	Regional Water (5910)	Wastewater (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 1,019,332	\$ 2,986,425	\$ 17,586,173	\$ 691,522	\$ 55,750,044	\$ 27,008,293
(762,416)	(1,708,573)	(4,966,883)	(871,232)	(16,325,813)	(23,472,467)
(708,060)	(212,627)	(3,515,157)	(3,103,002)	(15,197,086)	(2,376,091)
-	-	-	-	(12,888,134)	-
<u>(451,144)</u>	<u>1,065,225</u>	<u>9,104,133</u>	<u>(3,282,712)</u>	<u>11,339,011</u>	<u>1,159,735</u>
511,667	-	-	-	577,237	59,940
-	-	-	-	(2,485,105)	-
<u>604</u>	<u>-</u>	<u>64,921</u>	<u>3,175,031</u>	<u>3,240,556</u>	<u>-</u>
<u>512,271</u>	<u>-</u>	<u>64,921</u>	<u>3,175,031</u>	<u>1,332,688</u>	<u>59,940</u>
-	-	3,800,000	-	15,800,000	1,370,000
-	6,550,000	-	-	22,735,000	-
-	(6,723,989)	-	-	(24,687,368)	-
-	-	92,197	-	510,797	59,536
-	291,851	-	-	2,245,162	-
-	(530,000)	(3,925,000)	-	(17,650,000)	(1,049,645)
-	(737,684)	(1,541,686)	-	(3,735,503)	(647,152)
-	-	-	2,820,698	2,820,698	450,760
-	-	-	-	-	(2,075,576)
475	-	419,590	26,764	446,829	213
<u>(160,222)</u>	<u>-</u>	<u>(2,492,334)</u>	<u>(2,847,469)</u>	<u>(5,842,053)</u>	<u>(728,445)</u>
<u>(159,747)</u>	<u>(1,149,822)</u>	<u>(3,647,233)</u>	<u>(7)</u>	<u>(7,356,438)</u>	<u>(2,620,309)</u>
<u>10,009</u>	<u>87,932</u>	<u>194,740</u>	<u>8,625</u>	<u>464,795</u>	<u>1,000,287</u>
(88,611)	3,335	5,716,561	(99,063)	5,780,056	(400,347)
<u>1,432,297</u>	<u>4,085,588</u>	<u>15,020,488</u>	<u>1,041,260</u>	<u>42,887,650</u>	<u>6,161,351</u>
<u>\$ 1,343,686</u>	<u>\$ 4,088,923</u>	<u>\$ 20,737,049</u>	<u>\$ 942,197</u>	<u>\$ 48,667,706</u>	<u>\$ 5,761,004</u>

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COUNTY OF MUSKEGON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2015

	Business-type Activities - Enterprise Funds			
	Brookhaven Medical Care Facility (5120)	Delinquent Tax Revolving (5160)	Local Government Public Works Financing (5650)	Solid Waste (5710)
Reconciliation of operating income (loss) to net cash provided by (used in) by operating activities:				
Operating income (loss)	\$ (1,395,813)	\$ 2,558,937	\$ 1,362,416	\$ (3,086,853)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	138,275	-	-	639,919
Changes in assets and liabilities:				
Accounts receivable	(12,267)	138,564	(1,200)	59,949
Due from other governments	-	-	-	229
Accrued interest receivable	174	17,092	1,260	31,621
Taxes receivable	-	827,492	-	-
Leases receivable	-	-	1,105,791	-
Special assessments receivable	-	-	-	-
Notes receivable	-	-	-	-
Prepays	-	-	-	28,000
Inventories	26,726	-	-	4,237
Deposits held with others	-	-	-	-
Restricted assets	-	-	-	(98,990)
Negative equity in pooled cash	-	(1,659,965)	-	-
Accounts payable	(45,554)	(40,573)	2,400	7,698
Due to other governments	211,096	-	-	-
Accrued liabilities	(40,908)	545	-	18,826
Unearned revenue	-	-	-	-
Accrued closure cost and sludge removal	-	-	-	3,429,484
Accrued compensated absences	(29,902)	-	-	3,509
Net pension liability and deferred pension amounts	111,485	-	-	45,600
Net other postemployment benefit obligation	492,119	-	-	52,090
Net cash provided by (used in) operating activities	<u>\$ (544,569)</u>	<u>\$ 1,842,092</u>	<u>\$ 2,470,667</u>	<u>\$ 1,135,319</u>

Noncash transactions:

The Airport fund received noncash capital contributions of \$1,481,885 for the year ended September 30, 2015.

The Equipment Revolving internal service fund financed the acquisition of capital assets with noncash capital leases of \$130,664 for the year ended September 30, 2015.

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

Business-type Activities - Enterprise Funds					Governmental Activities
Airport (5810)	Regional Water (5910)	Wastewater (5920)	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ (1,763,387)	\$ 282,954	\$ 1,935,533	\$ (4,975,426)	\$ (5,081,639)	\$ 1,483,216
1,282,734	435,353	6,249,080	831,915	9,577,276	2,169,484
(25,611)	(80,548)	(56,732)	8,784	30,939	(141,650)
-	(149,300)	439,684	(600)	290,013	(11,300)
2,949	10,997	33,780	2,928	100,801	(147,931)
-	-	-	-	827,492	-
-	-	-	-	1,105,791	-
-	101,196	-	-	101,196	-
-	5,353	191,070	-	196,423	-
37,052	-	-	-	65,052	(899,459)
-	-	14,901	-	45,864	-
-	-	-	-	-	(390,934)
-	-	-	992	(97,998)	-
-	-	-	861,390	(798,575)	-
(44,836)	398,330	(31,849)	(247,716)	(2,100)	(231,129)
-	41,519	-	-	252,615	49,032
1,539	1,261	(814)	26,576	7,025	(836,144)
2,743	-	-	160	2,903	3,222
-	-	93,672	(60,760)	3,462,396	-
4,799	(1,151)	(112,770)	69,506	(66,009)	113,328
-	-	-	-	-	-
20,380	7,959	144,626	74,265	404,315	-
30,494	11,302	203,952	125,274	915,231	-
<u>\$ (451,144)</u>	<u>\$ 1,065,225</u>	<u>\$ 9,104,133</u>	<u>\$ (3,282,712)</u>	<u>\$ 11,339,011</u>	<u>\$ 1,159,735</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

September 30, 2015

	Agency Funds	Private-Purpose Trust Fund	Other Post- Employment Benefits Trust
		Epic Heir Trust (7650)	(7360)
ASSETS			
Cash and investments	\$ 7,910,620	\$ 63,237	\$ -
Funds on deposit with MERS	-	-	46,605,980
Receivables:			
Accounts	163	-	-
Prepays	-	-	288,600
Total assets	<u>\$ 7,910,783</u>	<u>63,237</u>	<u>46,894,580</u>
LIABILITIES			
Negative equity in pooled cash	\$ -	-	406,292
Accounts payable	14,635	-	-
Due to other governments	475,316	-	-
Undistributed current and delinquent taxes	6,164,847	-	-
Trust deposits	762,805	-	-
Unallocated receipts	493,180	-	-
Total liabilities	<u>\$ 7,910,783</u>	<u>-</u>	<u>406,292</u>
NET POSITION RESTRICTED FOR:			
Epic children		63,237	-
Other postemployment benefits		-	46,488,288
Total net position		<u>\$ 63,237</u>	<u>\$ 46,488,288</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, 2015

	Private-Purpose Trust Fund	Other Post- employment
	Epic Heir Trust (7650)	Benefits Trust (7360)
ADDITIONS		
Employer contributions	\$ -	\$ 1,889,505
Retiree contributions	-	494,284
Investment earnings	527	(578,081)
Total additions	<u>527</u>	<u>1,805,708</u>
DEDUCTIONS		
Benefit payments	-	4,461,792
Administrative expenses	-	122,614
Total deductions	<u>-</u>	<u>4,584,406</u>
Change in net position	527	(2,778,698)
Net position, beginning of year	62,710	49,266,986
Net position, end of year	<u>\$ 63,237</u>	<u>\$ 46,488,288</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, 2015

	Road Commission	Drainage Districts	Land Bank Authority	Total
ASSETS				
Cash and investments	\$ 6,076,932	\$ 93,870	\$ 529,440	\$ 6,700,242
Receivables:				
Accounts	-	-	931,092	931,092
Assessments	-	666,701	-	666,701
Due from other governments	2,799,860	1,656	-	2,801,516
Property taxes	-	-	3,667	3,667
Other	297,228	-	-	297,228
Prepays and other assets	154,526	-	-	154,526
Inventories	1,668,801	-	-	1,668,801
Assets held for resale	-	-	192,827	192,827
Capital assets not being depreciated	25,783,998	95,247	-	25,879,245
Capital assets being depreciated, net	43,898,634	3,156,464	-	47,055,098
Total assets	<u>80,679,979</u>	<u>4,013,938</u>	<u>1,657,026</u>	<u>86,350,943</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension amounts	1,011,514	-	-	1,011,514
LIABILITIES				
Accounts payable	993,707	36,535	1,276	1,031,518
Accrued liabilities	742,076	-	36,802	778,878
Advances from primary government	-	21,500	225,000	246,500
Unearned revenue	413,182	-	-	413,182
Long-term liabilities:				
Due within one year	226,000	60,000	-	286,000
Due in more than one year	123,806	350,000	-	473,806
Net pension liability	6,542,685	-	-	6,542,685
Net other postemployment benefit obligation	11,630	-	-	11,630
Total liabilities	<u>9,053,086</u>	<u>468,035</u>	<u>263,078</u>	<u>9,784,199</u>
NET POSITION				
Net investment in capital assets	69,682,632	2,841,711	-	72,524,343
Unrestricted	2,955,775	704,192	1,393,948	5,053,915
Total net position	<u>\$ 72,638,407</u>	<u>\$ 3,545,903</u>	<u>\$ 1,393,948</u>	<u>\$ 77,578,258</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, 2015

	Road Commission	Drainage Districts	Land Bank Authority	Total
EXPENSES				
Road Commission	\$ 15,019,994	\$ -	\$ -	\$ 15,019,994
Drainage Districts	-	637,604	-	637,604
Land Bank Authority	-	-	341,050	341,050
Total expenses	<u>15,019,994</u>	<u>637,604</u>	<u>341,050</u>	<u>15,998,648</u>
REVENUES				
Program revenues:				
Charges for services	2,838,601	430,376	513,637	3,782,614
Operating grants and contributions	9,854,847	29,202	-	9,884,049
Capital grants and contributions	6,086,141	96,536	-	6,182,677
General revenues:				
Unrestricted investment earnings	12,955	2,310	61,178	76,443
Gain on sale of capital assets	21,817	-	-	21,817
Other revenue	600	-	77,834	78,434
Total revenues	<u>18,814,961</u>	<u>558,424</u>	<u>652,649</u>	<u>20,026,034</u>
Change in net position	3,794,967	(79,180)	311,599	4,027,386
Net position, beginning of year, as restated	68,843,440	3,625,083	1,082,349	73,550,872
Net position, end of year	<u>\$ 72,638,407</u>	<u>\$ 3,545,903</u>	<u>\$ 1,393,948</u>	<u>\$ 77,578,258</u>

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

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NOTES TO FINANCIAL STATEMENTS

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Muskegon, Michigan (the County) was incorporated on July 18, 1859, and covers an area of approximately 527.34 square miles with the County seat located in the City of Muskegon. The County operates under an elected Board of Commissioners (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 and is able to impose its will as evidenced by the ability to remove board members at will and modify/approve the Land Bank Authority's budget. 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.

The *HealthWest 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 construction of a Jail and Juvenile Transition Center.

The County reports the following major enterprise funds:

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.

Delinquent Tax Revolving Fund accounts 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.

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.

Solid Waste Management System accounts for revenues received from, and the expenses made for, the operations of a solid waste landfill system. Monies for the operation of the system are received from customers.

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.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

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

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

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 and fees 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Assets, deferred outflows of resources, liabilities, deferred inflows of 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).

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".

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

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

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

Restricted Assets

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

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

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest costs incurred by proprietary funds during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No interest costs were capitalized during the year. All capital assets, including those purchased/constructed prior to the implementation of GASB 34 have been included for the primary government and component units. The County has no infrastructure assets in its governmental activities. Property, plant, equipment and infrastructure of the County, as well as its component units, is depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	10 - 100
Lagoon	98 - 100
Buildings and improvements	10 - 50
Machinery and equipment	3 - 25
Wastewater collection and distribution system	10 - 50
Infrastructure 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 reports deferred outflows of resources for the loss on bond refunding reported in the government-wide statement of net position, which results from the difference in the carrying value of refunded debt and its reacquisition price. In addition, the County reports deferred outflows of resources for changes in expected and actual investment returns, assumptions, and benefits provided in its pension plan. More detailed information can be found in Note 13.

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, and unemployment, the County maintains a reserve for unpaid claims. This reserve includes both case reserves estimated by adjusters on a case-by-case basis for claims reported but not settled, as well as actuarial estimates for claims incurred but not reported (IBNR). IBNR includes provisions for a) late reported claims, b) development on existing case reserves, c) potential claim re-openings, and d) claims that have been reported but for which a case reserve has not yet been recorded.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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.

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, 2015, 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Interfund Transactions

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

Capital Contributions

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

Use of Estimates

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

Budgets

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

1. A general, special revenue and debt service funds budget is presented to the Ways and Means Committee of the Board in September, at which time hearings on the budget are scheduled. A Public Hearing is held in August or September and a special meeting is held to give all elected officials the opportunity to discuss their budget with the Board.
2. The budget, and an appropriation ordinance implementing it, is then adopted in September.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

2. EXCESS OF EXPENDITURES OVER BUDGET

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

During the year ended September 30, 2015, 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:			
Residential Energy Efficiency Program	\$ 1,290,201	\$ 1,318,472	\$ 28,271
Corporate Counsel	328,920	342,515	13,595
County Clerk	376,715	380,058	3,343
City of Muskegon	98,144	98,726	582
Johnny O. Harris Building	5,069	13,445	8,376
Central Services Building	4,081	4,397	316
Cordova Site O&M	2,329	2,365	36
Courthouse and Grounds	1,081,187	1,103,739	22,552
Oak Avenue Building	162,013	163,567	1,554
County Jail Building	420,586	474,460	53,874
State Institutions	276,192	291,151	14,959
Misc Contingency	1,527,539	1,573,832	46,293
Appropriations	-	29,202	29,202
Judicial:			
District Court Collections	190,518	191,114	596
Jury Commission	55,761	59,879	4,118
State Probation	63,717	64,332	615
Public safety:			
Facility Security Services	138,724	139,295	571
County Jail Building 2015	-	2,391	2,391
Sheriff Jail	6,040,291	6,106,146	65,855
Cultural:			
Fairgrounds Training Center	36,628	39,634	3,006

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Final Budget	Actual	Actual Over Final Budget
Nonmajor governmental funds:			
Emergency Services	\$ 339,860	\$ 367,528	\$ 27,668
Marine Safety	157,944	186,093	28,149
Township Patrol	208,080	210,457	2,377
Health Department	6,005,015	6,094,448	89,433
Community Health Improvement	1,009,441	1,142,233	132,792
CDBG Housing Grant	78,290	78,389	99
Neighborhood Stabilization Grant	124,263	146,215	21,952
Community Corrections	332,873	333,633	760
TNT Drug	239	307	68
Wagner Peyser	335,000	358,583	23,583
DET Cost Pool	3,200	4,464	1,264
WIA Admin Pool	168,000	168,196	196
Strategic Planning	-	23	23
WIA Youth Statewide	-	1,935	1,935
WIA Service Center Operations	50,000	53,496	3,496
WIA Gold Standard Evaluation	9,200	29,414	20,214
United Way Summer Youth	77,000	81,989	4,989
Child Care Facility	8,266,036	8,437,804	171,768

3. DEFICIT FUND EQUITY

At September 30, 2015, the following enterprise funds reported deficit unrestricted net position balances as shown in the following table:

Enterprise Fund	Unrestricted Net Position (Deficit)	Total Net Position	Working Capital	Total of Net Pension Liability & Net OPEB Obligation
Brookhaven	\$ (4,895,629)	\$ (4,021,479)	\$ 340,020	\$ 4,003,299
Solid Waste	(1,258,462)	3,594,878	12,247,854	1,662,028
Airport	(131,162)	28,953,457	1,324,837	676,850
Fly Ash	(3,337)	61,934	727,884	-
Muskegon Area Transit System	(2,116,948)	8,448,423	53,130	2,159,722

All of these funds maintained positive working capital, which represents the excess of current assets over current liabilities. All except Brookhaven reported positive total net position as of that date. Net Pension Liability and Net OPEB Obligation balances contributed to the deficit unrestricted net position balances reported.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of September 30, 2015:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and investments	\$ 57,950,995	\$ 6,700,242	\$ 64,651,237
Restricted assets	2,186,246	-	2,186,246
	<u>60,137,241</u>	<u>6,700,242</u>	<u>66,837,483</u>
Statement of Fiduciary Net Position			
Agency funds:			
Cash and investments	7,910,620	-	7,910,620
Private purpose trust fund:			
Cash and investments	63,237	-	63,237
Other postemployment benefit trust fund:			
Funds on deposit with MERS	46,605,980	-	46,605,980
Negative equity in pooled cash	(406,292)	-	(406,292)
	<u>54,173,545</u>	<u>-</u>	<u>54,173,545</u>
Total	<u>\$ 114,310,786</u>	<u>\$ 6,700,242</u>	<u>\$ 121,011,028</u>
Deposits and investments			
Bank deposits:			
Checking and savings accounts			\$ 48,619,993
Certificates of deposits, due within one year			3,520,000
Total bank deposits			<u>52,139,993</u>
Investments:			
Funds on deposit with MERS			46,605,980
Money market accounts			2,186,246
Municipal bonds			4,528,462
Government securities			14,787,820
Non-cash commodity			612,247
Total investments			<u>68,720,755</u>
Cash on hand			<u>150,280</u>
Total			<u>\$ 121,011,028</u>

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be returned. It is County policy to reduce custodial credit risk related to deposits by using only pre-qualified financial institutions, broker/dealers, intermediaries and advisors. As of year-end, \$51,390,669 of the County's bank balance of \$52,505,986 was exposed to custodial credit risk because it was uninsured and uncollateralized.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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, 2015, 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+	\$ 11,915,950
Moody AA2, S&P AA+	552,103
Moody AA1, S&P AA-	3,099,420
Moody AAA, S&P not rated	2,871,870
Moody A1, S&P not rated	876,939
Unrated	49,404,473
Total	<u>\$ 68,720,755</u>

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

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

Due in 1-5 years	\$ 7,034,212
Due in 6-10 years	5,482,520
Due in 11-15 years	3,927,680
Due in 16-20 years	2,871,870
No maturity	49,404,473
Total	<u>\$ 68,720,755</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

5. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 1,628,703	\$ 3,429,709	\$ 931,092
Less: allowance for uncollectibles	(123,644)	(462,507)	-
Due from other governments	13,303,962	2,712,915	2,801,516
Accrued interest	165,422	-	-
Taxes (current)	8,278,841	-	3,667
Taxes (delinquent)	-	12,271,721	-
Long-term notes	1,095,000	1,228,128	-
Leases	-	25,985,840	-
Special assessments	-	996,239	666,701
Other	-	-	297,228
	<u>\$ 24,348,284</u>	<u>\$ 46,162,045</u>	<u>\$ 4,700,204</u>

Of the amounts reported for receivables above, long-term notes receivables in the amount of \$2,131,281, special assessments receivable in the amount of \$1,224,107, leases receivable in the amount of \$24,375,297, and accounts receivable of \$384,677 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, with interest of 6% per annum), 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 \$403,153 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	\$ 7,395,740	\$ 2,012,352	\$ 1,031,518
Due to other governments	4,183,296	631,255	-
	<u>\$ 11,579,036</u>	<u>\$ 2,643,607</u>	<u>\$ 1,031,518</u>

7. OTHER ASSETS

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

	Governmental Activities	Business-type Activities	Component Units
Prepays	\$ 1,277,310	\$ 1,652	\$ 154,526
Inventory	15,630	125,108	1,668,801
Deposits held with others	786,341	-	-
Assets held for resale	-	-	192,827
	<u>\$ 2,079,281</u>	<u>\$ 126,760</u>	<u>\$ 2,016,154</u>

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2015, was as follows:

Advances to and from primary government funds

	Advances to Other Funds	Advances from Other Funds
General fund	\$ 1,484,385	\$ -
Brookhaven Medical Care Facility	-	1,484,385
Solid Waste	78,515	-
Airport	-	750,584
Internal Services fund	750,584	78,515
	<u>\$ 2,313,484</u>	<u>\$ 2,313,484</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Advances to and from component units

	Advances to Component Units	Advances from Primary Government
General Fund	\$ 21,500	\$ -
Delinquent Tax Revolving	225,000	-
Land Bank Authority	-	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.

For the year ended September 30, 2015, interfund transfers consisted of the following:

Transfers In	Transfers Out			Totals
	General Fund	Nonmajor Governmental Funds	Delinquent Tax Revolving	
General Fund	\$ -	\$ 31	\$ 2,300,000	\$ 2,300,031
HealthWest	786,935	-	-	786,935
Nonmajor Governmental Funds	7,055,925	360,635	209,139	7,625,699
Internal Services Funds	-	59,940	-	59,940
Airport	511,667	-	-	511,667
Brookhaven Medical Care Facility	350,000	-	-	350,000
Delinquent Tax Revolving	-	24,034	-	24,034
Solid Waste	-	24,889	-	24,889
Totals	<u>\$ 8,704,527</u>	<u>\$ 469,529</u>	<u>\$ 2,509,139</u>	<u>\$ 11,683,195</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, 2015 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 4,496,274	\$ -	\$ (5,780)	\$ -	\$ 4,490,494
Construction-in-progress	24,039,583	16,891,887	-	(8,125,784)	32,805,686
	<u>28,535,857</u>	<u>16,891,887</u>	<u>(5,780)</u>	<u>(8,125,784)</u>	<u>37,296,180</u>
Capital assets being depreciated:					
Land improvements	5,773,983	-	-	257,729	6,031,712
Buildings and improvements	81,005,956	8,620	(557,152)	7,193,307	87,650,731
Machinery and equipment	25,681,712	301,167	(1,868,703)	674,748	24,788,924
	<u>112,461,651</u>	<u>309,787</u>	<u>(2,425,855)</u>	<u>8,125,784</u>	<u>118,471,367</u>
Less accumulated depreciation for:					
Land improvements	(3,199,179)	(217,376)	-	-	(3,416,555)
Building and improvements	(30,153,741)	(10,320,137)	509,160	-	(39,964,718)
Machinery and equipment	(12,829,642)	(2,056,389)	1,635,333	-	(13,250,698)
	<u>(46,182,562)</u>	<u>(12,593,902)</u>	<u>2,144,493</u>	<u>-</u>	<u>(56,631,971)</u>
Total capital assets being depreciated, net	<u>66,279,089</u>	<u>(12,284,115)</u>	<u>(281,362)</u>	<u>8,125,784</u>	<u>61,839,396</u>
Governmental activities-capital assets, net	<u>\$ 94,814,946</u>	<u>\$ 4,607,772</u>	<u>\$ (287,142)</u>	<u>\$ -</u>	<u>\$ 99,135,576</u>

Of the amount reported in capital assets, \$664,642 of machinery and equipment was purchased through capital lease purchase agreements. Related accumulated depreciation at year-end amounted to \$106,796.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 20,009,844	\$ 299,136	\$ -	\$ -	\$ 20,308,980
Construction-in-progress	717,122	3,164,264	-	(1,704,323)	2,177,063
	<u>20,726,966</u>	<u>3,463,400</u>	<u>-</u>	<u>(1,704,323)</u>	<u>22,486,043</u>
Capital assets being depreciated:					
Land improvements	28,754,432	63,081	(17,488)	-	28,800,025
Buildings and improvements	30,422,844	1,070,856	(84,442)	1,704,323	33,113,581
Machinery and equipment	34,777,394	2,694,751	(1,344,434)	-	36,127,711
Lagoons	9,495,715	31,850	-	-	9,527,565
W/W collection and distribution	165,657,495	-	(13,727)	-	165,643,768
Capitalized interest and engineering	9,018,463	-	-	-	9,018,463
	<u>278,126,343</u>	<u>3,860,538</u>	<u>(1,460,091)</u>	<u>1,704,323</u>	<u>282,231,113</u>
Less accumulated depreciation for:					
Land improvements	(16,046,267)	(801,582)	13,990	-	(16,833,859)
Building and improvements	(19,033,692)	(848,845)	81,683	-	(19,800,854)
Machinery and equipment	(16,286,396)	(2,223,855)	1,335,715	-	(17,174,536)
Lagoons	(3,909,483)	(95,085)	-	-	(4,004,568)
W/W collection and distribution	(66,027,564)	(5,303,307)	13,727	-	(71,317,144)
Capitalized interest and engineering	(6,546,561)	(304,602)	-	-	(6,851,163)
	<u>(127,849,963)</u>	<u>(9,577,276)</u>	<u>1,445,115</u>	<u>-</u>	<u>(135,982,124)</u>
Total capital assets being depreciated, net	<u>150,276,380</u>	<u>(5,716,738)</u>	<u>(14,976)</u>	<u>1,704,323</u>	<u>146,248,989</u>
Business-type activities capital assets, net	<u>\$ 171,003,346</u>	<u>\$ (2,253,338)</u>	<u>\$ (14,976)</u>	<u>\$ -</u>	<u>\$ 168,735,032</u>

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

Depreciation of governmental activities by function

General government	\$ 9,369,874
Judicial	7,935
Public safety	436,038
Health	328,416
Welfare	15,110
Recreation	267,045
Internal service fund	2,169,484
Total depreciation expense - governmental activities	<u>\$ 12,593,902</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Depreciation of business-type activities by function

Brookhaven Medical Care Facility	\$ 138,275
Solid Waste	639,919
Airport	1,282,734
Regional water	435,353
Wastewater	6,249,080
Nonmajor enterprise funds	831,915
Total depreciation expense - business-type activities	<u>\$ 9,577,276</u>

Discretely presented component units

Capital assets activity for the Drainage Districts component unit for the year ended September 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Component Unit - Drainage Districts					
Capital assets, not being depreciated:					
Land	\$ -	\$ 95,247	\$ -	\$ -	\$ 95,247
Capital assets being depreciated:					
Infrastructure and improvements	4,108,109	-	-	-	4,108,109
Less accumulated depreciation for:					
Infrastructure and improvements	(869,483)	(82,162)	-	-	(951,645)
Total capital assets being depreciated, net	<u>3,238,626</u>	<u>(82,162)</u>	<u>-</u>	<u>-</u>	<u>3,156,464</u>
Component Unit - Drainage Districts capital assets, net	<u>\$ 3,238,626</u>	<u>\$ 13,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,251,711</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, 2015:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 62,925,000	\$ 2,325,000	\$ (1,980,000)	\$ 63,270,000	\$ 2,355,000
Land contract note payable	20,000	-	(20,000)	-	-
Installment purchase agreement	690,712	-	(690,712)	-	-
Capital leases	456,495	130,664	(158,933)	428,226	174,083
Total installment debt	64,092,207	2,455,664	(2,849,645)	63,698,226	2,529,083
Premium on bonds payable	207,392	85,139	(30,603)	261,928	60,216
Compensated absences	7,091,563	2,509,486	(3,049,372)	6,551,677	950,648
Total governmental activities	\$ 71,391,162	\$ 5,050,289	\$ (5,929,620)	\$ 70,511,831	\$ 3,539,947
Business-type activities					
General obligation bonds	\$ 26,700,000	\$ 19,985,000	\$ (18,760,000)	\$ 27,925,000	\$ 1,245,000
Revenue bonds	73,993,365	6,550,000	(11,025,000)	69,518,365	4,520,000
Notes payable	16,000,000	12,000,000	(12,000,000)	16,000,000	12,000,000
Total installment debt	116,693,365	38,535,000	(41,785,000)	113,443,365	17,765,000
Premium on bonds payable	396,887	2,755,959	(908)	3,151,938	551,699
Closure and sludge cost	13,876,934	3,523,156	(60,760)	17,339,330	833,877
Compensated absences	1,398,702	535,433	(601,442)	1,332,693	193,374
Total business-type activities	\$ 132,365,888	\$ 45,349,548	\$ (42,448,110)	\$ 135,267,326	\$ 19,343,950
Drainage District Component Unit					
Notes payable	\$ 410,000	\$ -	\$ -	\$ 410,000	\$ 60,000

Governmental Activities

General obligation bonds

\$7,725,000 2009 Building Authority (Unlimited Tax) 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.

\$ 1,220,000

\$6,150,000 2008 Building Authority (Limited Tax) 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.

5,315,000

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Governmental Activities (Continued)

General obligation bonds (concluded)

\$4,685,000 2010 Building Authority (Limited Tax) 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.	\$ 3,370,000
\$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.	6,255,000
\$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
\$2,325,000 2015 Capital Improvement Bonds, due in annual installments of \$130,000 to \$175,000 plus interest ranging from 2.00% to 5.00%, payable semi-annually, through November 1, 2034.	2,325,000
Capital leases	
Various capital leases, due in various monthly installments plus interest maturing at various dates through July 28, 2019.	<u>428,226</u>
Total governmental activities	<u>\$ 63,698,226</u>

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.	\$ 2,395,000
\$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.	4,495,000
\$20,580,000 Muskegon County Wastewater Management System (Muskegon, Egelston & Dalton Township Section) Bonds, Series 2006 (General Obligation Limited Tax), partially refunded during 2015, due in a final installment of \$485,000 plus interest at 4.25%, payable November 1, 2015.	485,000

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Business-type Activities (Continued)

General obligation bonds (concluded)

\$16,185,000 Muskegon County Wastewater Management System (Muskegon, Egelston & Dalton Township Section) Refunding Bonds, Series 2015 (General Obligation Limited Tax), due in an annual installments of \$445,000 to \$1,220,000 plus interest ranging from 4.201% to 5.00%, payable semi-annually, through November 1, 2036. \$ 16,185,000

\$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. 565,000

\$3,800,000 2015 Capital Improvement Bonds, due in annual installments of \$155,000 to \$265,000 plus interest ranging from 2.00% to 5.00%, payable semi-annually, through November 1, 2034. 3,800,000

Revenue bonds

\$7,900,000 2006 Muskegon County Water Supply System Revenue Bond, partially refunded in 2015, due in a final installment of \$175,000 plus interest at 4.375%, through November 1, 2015. 175,000

\$6,550,000 2015 Muskegon County Water Supply System Revenue Refunding Bonds, due in annual installments of \$225,000 to \$450,000 plus interest ranging from 2.00% to 5.00%, payable semi-annually, through November 1, 2036. 6,550,000

\$9,215,000 2008 Muskegon County Water Supply System Revenue Refunding Bonds, 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. 6,915,000

\$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. 8,855,000

**\$17,386,586 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. 11,096,560

**\$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. 9,610,000

**\$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. 1,150,000

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Business-type Activities (Continued)

Revenue bonds (concluded)

**\$898,316 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.	\$ 623,316
**\$15,154,830 2008B 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.	11,269,830
**\$16,132,676 2008C 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.	11,972,676
**\$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.	1,300,983
Notes payable	
\$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.	4,000,000
\$12,000,000 2014 General Obligation Tax Note, due in installments of \$4,000,000 plus interest at 4.00%, payable semi-annually, through December 1, 2016.	<u>12,000,000</u>
Total business-type activities	<u><u>\$ 113,443,365</u></u>

Pledged Revenues

**The County has pledged future wastewater total revenues, net of specified operating expenses, to repay \$67.0 million in certain wastewater system revenue bonds issued between September 2005 and January 2010. Proceeds from these bonds provided financing for improvements to the wastewater system. These particular bonds are payable solely from wastewater net revenues and are payable through 2030. Annual principal and interest payments on these bonds are expected to require less than 50 percent of net revenues. The total principal and interest remaining to be paid on these bonds is \$53,834,991. For the current year, principal and interest paid was \$3,972,157 and net revenues were \$8,337,466.

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.	<u>120,000</u>
Total drainage district component unit	<u><u>\$ 410,000</u></u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

Year Ended September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 2,529,083	\$ 3,036,955	\$ 17,765,000	\$ 3,423,117
2017	1,539,902	2,935,848	10,035,000	3,003,032
2018	1,480,928	2,870,677	6,200,000	2,758,542
2019	2,478,313	2,784,054	6,330,000	2,588,773
2020	2,565,000	2,672,284	6,480,000	2,406,825
2021-2025	14,640,000	11,413,071	31,635,000	9,190,246
2026-2030	32,500,000	5,625,557	23,703,365	4,358,060
2031-2035	5,965,000	466,857	8,045,000	1,802,910
2036-2038	-	-	3,250,000	164,750
	<u>\$ 63,698,226</u>	<u>\$ 31,805,303</u>	<u>\$ 113,443,365</u>	<u>\$ 29,696,255</u>

Year Ended September 30,	Drainage District Component Unit	
	Principal	Interest
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 under State of Michigan Public Act 185 of 1957 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 Delinquent Tax Revolving Fund 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. Compensated absences are primarily liquidated by the General Fund.

Refunded and Defeased Debt

During 2015, the County issued \$16,185,000 and \$6,550,000 of 2015 Muskegon County Wastewater Management System (Muskegon, Egelston & Dalton Township) Refunding Bonds and 2015 Muskegon County Water Supply System Revenue Refunding Bonds to provide resources to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service including principal payments of \$17,565,000 and \$6,570,000 of 2006 Muskegon County Wastewater Management System (Muskegon, Egelston & Dalton Township) Bonds and 2006 Muskegon County Water Supply System Revenue Refunding Bonds, respectively. As a result of the refundings, the bonds are considered defeased and the liability has been removed from the statement of net position. The 2015 Muskegon County Wastewater Management System (Muskegon, Egelston & Dalton Township) Refunding Bonds resulted in a savings of \$1,968,237, and an economic gain of \$1,417,103. The Muskegon County Water Supply System Revenue Refunding Bonds resulted in a savings of \$803,022 and an economic gain of \$588,968. The bonds are expected to be called on November 1, 2015. Accordingly, \$24,661,000 of defeased bonds are outstanding at September 30, 2015.

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 and \$100,000 for each auto claim. 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

The County manages its risks internally and has set aside assets for claim settlement in its Insurance internal service fund. These funds allocate the cost of providing claims servicing and claims payments by charging a “premium” to each fund based upon various allocation bases. This charge considers recent trends in actual claims experience of the County as a whole and makes provision for catastrophic losses.

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

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

Changes in the balances of claims liabilities are as follows:

	Beginning of the year liability	Current year claims and change in estimates	Claim Payments	End of the year liability
2014	\$ 3,308,820	\$ 20,444,227	\$ (20,404,692)	\$ 3,348,355
2015	3,348,355	8,914,543	(9,809,853)	2,453,045

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

13. PENSION PLANS

Defined Benefit Pension Plan

General Information About the Plan

Plan Description. The County participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 1.7% to 2.5%. Participants are considered to be fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service, age 55 with 15 years of service, or age 55 with 25 years of service, depending on division/bargaining unit. All divisions of the plan are closed to new hires.

Employees Covered by Benefit Terms. At December 31, 2014, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	948
Inactive employees entitled to but not yet receiving benefits	184
Active employees	<u>718</u>
Total membership	<u><u>1,850</u></u>

Contributions. The County is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In addition, the employer may establish contribution rates to be paid by its covered employees.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Employer monthly contribution amounts and employee contribution rates, by division/bargaining unit, were as follows as of September 30, 2015:

Division/Bargaining Unit	Employer Contribution	Employee Contribution
01 - Public Works	\$ 22,463	4.51%
04 - MCF Union	-	8.57%
10 - Gnrl Local214	74,139	3.84%
11 - Gnrl NonUnion	168,284	5.41%
12 - District Court	11,298	1.50%
13 - Health Dpt Nrses	6,196	4.05%
14 - Mntl Hlth Wrks	10,044	3.86%
15 - Judges	1,556	4.13%
17 - Comm/E.O./Adm Dir	67,423	5.20%
19 - Mental Hlth Workers af 9/1/10	793	5.86%
20 - Corrections	18,630	2.69%
22 - Shrf Dpty Lcl214	42,711	5.00%
23 - Shrf Cmnd Unit	36,633	7.33%
24 - Correction Ofr hired af 9/1/10	1,326	5.69%
25 - Sheriff Deputy after 10/01/10	893	6.50%
26 - Shrf Cmd Unit after 1/1/2011	2,357	8.75%
41 - AFSCME#570	17,452	5.58%
42 - MCF Union hired after 3/1/10	1,585	4.00%
90 - Public Works after 02/01/11	-	6.50%
91 - Gnrl Local 214 after 11/1/10	2,456	6.00%
	<u>\$ 486,239</u>	

Net Pension Liability. The County's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3% to 4%
Salary increases	4.5% in the long-term (2% and 3% for calendar years 2015 and 2016, respectively)
Investment rate of return	8.25%, net of investment expense and including inflation

Although no specific price inflation assumptions are needed for the valuation, the 4.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the 1994 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted for the period from December 31, 2003 through December 31, 2008. (MERS Retirement Board is currently conducting an actuarial experience study covering the period from January 1, 2009 through December 31, 2013.)

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	57.5%	5.02%	2.89%
Global fixed income	20.0%	2.18%	0.44%
Real assets	12.5%	4.23%	0.52%
Diversifying strategies	10.0%	6.56%	0.65%
	100.0%		
Inflation			3.50%
Administrative expenses netted above			0.25%
Investment rate of return			8.25%

Discount Rate. The discount rate used to measure the total pension liability is 8.25% for 2014. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Changes in Net Pension Liability

The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2013	\$ 238,263,355	\$ 170,972,733	\$ 67,290,622
Changes for the year:			
Service cost	3,712,445	-	3,712,445
Interest	19,172,131	-	19,172,131
Employer contributions	-	5,775,708	(5,775,708)
Employee contributions	-	1,814,766	(1,814,766)
Net investment income	-	10,678,844	(10,678,844)
Benefit payments, including refunds of employee contributions	(15,460,228)	(15,460,228)	-
Administrative expense	-	(390,750)	390,750
Other changes	(1,610)	-	(1,610)
Net changes	<u>7,422,738</u>	<u>2,418,340</u>	<u>5,004,398</u>
Balances at December 31, 2014	<u>\$ 245,686,093</u>	<u>\$ 173,391,073</u>	<u>\$ 72,295,020</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 8.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.25%) or 1% higher (9.25%) than the current rate:

1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
\$ 98,088,997	\$ 72,295,020	\$ 50,197,841

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2015, the County recognized pension expense of \$8,311,577. The County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ -
Changes in assumptions	-
Net difference between projected and actual earnings on pension plan investments	2,468,529
	<u>2,468,529</u>
Contributions subsequent to the measurement date	4,395,316
	<u>4,395,316</u>
Total	<u>\$ 6,863,845</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows of resources related to the pension will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2016	\$ 617,132
2017	617,132
2018	617,132
2019	<u>617,133</u>
Total	<u>\$ 2,468,529</u>

Payable to the Pension Plan. At September 30, 2015, the County reported a payable of \$606,007 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2015.

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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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 \$488,815 and \$777,395 respectively for the current year.

14. OTHER POSTEMPLOYMENT BENEFITS

Plan description. The County of Muskegon administers a single employer defined benefit postemployment healthcare benefit plan that provides health and dental benefits to its retired employees and beneficiaries. The plan is accounted for as an other postemployment benefits trust fund in the County's financial statements, and utilizes the Retiree Health Funding Vehicle and Investment Services Program provided through the Michigan Municipal Employees' Retirement System (MERS). Separate financial statements are not prepared for the plans.

Membership of the Plan consisted of the following at October 1, 2014, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	589
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>716</u>
Total	<u><u>1,305</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 10.4% to 117.1% of covered payroll with 16.7% 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.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

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

Annual required contribution	\$ 5,364,723
Interest on net OPEB obligation	327,670
Adjustment to annual required contribution	<u>(371,784)</u>
Net OPEB cost (expense)	5,320,609
Contributions made	<u>(1,889,505)</u>
Increase in net OPEB obligation	3,431,104
Net OPEB obligation, beginning of year	<u>4,095,873</u>
Net OPEB obligation, end of year	<u><u>\$ 7,526,977</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2015 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
2013	\$ 5,809,114	78%	\$ 2,459,473
2014	5,454,642	70%	4,095,873
2015	5,320,609	36%	7,526,977

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 October 1, 2014, the most recent actuarial valuation date, the Plan was 54.1% funded. The actuarial accrued liability for benefits was \$90,500,533, and the actuarial value of assets was \$48,958,231, resulting in an unfunded actuarial accrued liability (UAAL) of \$41,542,302. The covered payroll (annual payroll of active employees covered by the Plan) was \$32,178,697, and the ratio of the UAAL to the covered payroll was 129.1% percent.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The required contribution was determined as part of the October 1, 2014 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 2% attributable to inflation; c) additional projected salary increases depending on age, attributable to sonority/merit; and d) projected healthcare benefit increases of 3.75% to 8.0%. The actuarial value of the County OPEB plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The County's unfunded actuarial accrued liability is being amortized as a level dollar over the next 22 years.

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 \$380,941 for the year ended September 30, 2015.

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

15. CLOSURE AND POST-CLOSURE CARE COST

Landfill Closure and Post-closure Care

State and federal laws and regulations require the County to place a final cover on its Solid Waste and Fly Ash Program 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 \$15.1 million reported as landfill closure and post-closure care liability at September 30, 2015 represents the cumulative amount reported to date based on the use of 72 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 7 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$15.1 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 2015. 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 \$2,186,246 held in trust as of September 30, 2015. 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

	General Fund	HealthWest	Capital Projects Jail / JTC Building	Nonmajor Funds	Total
FUND BALANCES, GOVERNMENTAL FUNDS					
Nonspendable:					
Inventories	\$ -	\$ -	\$ -	\$ 15,630	\$ 15,630
Prepays	25,875	102,402	-	60	128,337
Long-term advances and notes receivable	1,550,885	-	-	850,000	2,400,885
Permanent fund corpus	-	-	-	36,947	36,947
Total nonspendable	1,576,760	102,402	-	902,637	2,581,799
Restricted for:					
Training	69,700	-	-	-	69,700
Heritage Landing Improvements	-	-	-	42,373	42,373
Community Mental Health	-	230,549	-	-	230,549
Accommodation Tax	-	-	-	755,576	755,576
Grant programs	-	-	-	15,895	15,895
Forfeited property	-	-	-	6,603	6,603
Deed Automation Fund	-	-	-	1,142,546	1,142,546
Stormwater Committee	-	-	-	19,151	19,151
EDC Loan Revolving	-	-	-	15,000	15,000
Veterans' Care & Trust	-	-	-	64,482	64,482
Mental Health Buildings	-	-	-	79,344	79,344
Victim Restitution	-	-	-	31,385	31,385
Debt repayment	-	-	-	415,632	415,632
Capital projects	-	-	-	2,862,457	2,862,457
Total restricted	69,700	230,549	-	5,450,444	5,750,693
Committed for:					
Parks	-	-	-	274,994	274,994
Concealed permits	-	-	-	13,572	13,572
Capital projects	-	-	1,298,949	102,715	1,401,664
Total committed	-	-	1,298,949	391,281	1,690,230
Assigned for:					
Marine Safety	-	-	-	27,169	27,169
Health Department	-	-	-	8,636	8,636
Crime Victims' Rights	-	-	-	1,057	1,057
Capital projects	-	-	-	13,853	13,853
Total assigned	-	-	-	50,715	50,715
Unassigned	7,926,351	-	-	-	7,926,351
Total fund balances, government funds	\$ 9,572,811	\$ 332,951	\$ 1,298,949	\$ 6,795,077	\$ 17,999,788

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, 2015, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 37,296,180	\$ 22,486,043	\$ 25,879,245
Capital assets being depreciated, net	61,839,396	146,248,989	47,055,098
	<u>99,135,576</u>	<u>168,735,032</u>	<u>72,934,343</u>
Related debt:			
Total installment debt	63,698,226	113,443,365	410,000
Net bond premium	261,928	3,151,938	-
Deferred loss on advance refunding	(107,800)	(455,350)	-
Unexpended bond proceeds	(2,839,350)	-	-
General obligation tax notes	-	(16,000,000)	-
Bond premium on tax notes	-	(418,600)	-
Bonds payable related to capital leases	-	(24,125,000)	-
Bond premium on capital leases	-	(1,953,311)	-
Deferred loss on advance refunding on capital leases	-	328,300	-
	<u>61,013,004</u>	<u>73,971,342</u>	<u>410,000</u>
Net investment in capital assets	<u>\$ 38,122,572</u>	<u>\$ 94,763,690</u>	<u>\$ 72,524,343</u>

18. COMMITMENTS

At year end the County had outstanding commitments of approximately \$2.1 million for remodeling of the jail complex, purchase of equipment and storm water improvements. These costs will be financed with bond funds previously received in fiscal year 2015 and grant proceeds.

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 2015, the County made payments of \$560,781 under these operating lease agreements. Future minimum lease payments for these and other leases are as follows:

Year Ended September 30,	Expected Lease Payment
2016	\$ 651,393
2017	587,200
2018	585,631
2019	579,142
2020	577,571
2021-2023	<u>2,165,891</u>
	<u>\$ 5,146,828</u>

COUNTY OF MUSKEGON, MICHIGAN

Notes to Financial Statements

19. RESTATEMENTS

The County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. As a result of this change, beginning net position of the following opinion units was restated by the following amounts:

Governmental activities	<u>\$ 52,375,422</u>
Business-type activities:	
Airport enterprise fund	523,603
Regional Water enterprise fund	199,233
Wastewater enterprise fund	4,448,412
Brookhaven Medical Care Facility enterprise fund	2,516,685
Solid Waste enterprise fund	1,374,253
Nonmajor enterprise funds	<u>1,559,753</u>
	<u>10,621,939</u>
Total primary government	<u>\$ 62,997,361</u>
Aggregate discretely presented component units	<u>\$ 6,359,240</u>

Beginning net position of the County was adjust to allocate the net other postemployment benefit obligation in a similar methodology as the pension related costs. As a result, beginning net position of the following opinion units was restated (decreased) by the following amounts:

Governmental activities (increased)	<u>\$ (1,024,827)</u>
Business-type activities (decreased):	
Airport enterprise fund	35,872
Regional Water enterprise fund	15,095
Wastewater enterprise fund	255,984
Brookhaven Medical Care Facility enterprise fund	460,864
Solid Waste enterprise fund	67,554
Nonmajor enterprise funds	<u>189,458</u>
	<u>1,024,827</u>
Total primary government	<u>\$ -</u>

20. SUBSEQUENT EVENTS

In December 2015, the Drainage Districts component unit issued \$70,000 in drain notes payable to finance drain improvements and maintenance. The notes bear an interest rate of 1.32% and mature on December 1, 2016.

In February 2016, the Drainage Districts component unit issued \$198,000 in drain notes payable to finance drain improvements and maintenance. The notes bear an interest rate of 1.15% and mature on February 15, 2017.



REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios – Defined Benefit Plan

Year Ended
September 30,
2015

MERS Agent Multiple-Employer Defined Benefit Pension Plan - County of Muskegon

TOTAL PENSION LIABILITY

Service cost	\$ 3,712,445
Interest	19,172,131
Benefit payments and refunds	(15,460,228)
Other changes	(1,610)
Net change in total pension liability	<u>7,422,738</u>
Total pension liability - beginning	<u>238,263,355</u>
Total pension liability - ending	<u><u>245,686,093</u></u>

PLAN FIDUCIARY NET POSITION

Employer contributions	5,775,708
Employee contributions	1,814,766
Net investment income	10,678,844
Benefit payments and refunds	(15,460,228)
Administrative expense	(390,750)
Net change in plan fiduciary net position	<u>2,418,340</u>
Plan fiduciary net position - beginning	<u>170,972,733</u>
Plan fiduciary net position - ending	<u><u>173,391,073</u></u>

NET PENSION LIABILITY - ENDING \$ 72,295,020

Plan fiduciary net position as a percentage
of total pension liability 70.6%

Covered-employee payroll \$ 34,366,135

Net pension liability as a percentage
of covered-employee payroll 210.4%

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information
 Schedule of the Net Pension Liability - Defined Benefit Plan

MERS Agent Multiple-Employer Defined Benefit Pension Plan - County of Muskegon

Fiscal Year Ended September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered-Employee Payroll	Net Pension Liability as Percentage of Covered Payroll
2015	\$245,686,093	\$173,391,073	\$ 72,295,020	70.6%	\$ 34,366,135	210.4%

The amounts presented for each fiscal year were determined as of December 31 of the preceding

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

COUNTY OF MUSKEGON, MICHIGAN

Required Supplementary Information
 Schedule of Contributions - Defined Benefit Plan

MERS Agent Multiple-Employer Defined Benefit Pension Plan - County of Muskegon

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as Percentage of Covered-Employee Payroll
2015	\$ 5,877,765	\$ 5,877,765	\$ -	\$ 34,318,598	17.1%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated as of the December 31 that is 21 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	12-22 years, depending on division/bargaining unit
Asset valuation method	Open; 10-year smooth market
Inflation	3.0% to 4.0%
Salary increases	4.5% in the long-term (2% and 3% for calendar years 2015 and 2016, respectively)
Investment rate of return	8.25%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. The Normal Retirement rates were first used for the December 31, 2009 actuarial valuations. The Early Retirement rates were first used for the December 31, 2011 actuarial valuations.
Mortality	1994 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

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)
12/31/2011	\$ 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%
10/01/2014	48,958,231	90,500,533	41,542,302	54.1%	32,178,697	129.1%

Schedule of Employer Contributions

Year Ended September 30,	Annual Required Contributions	Percentage Contributed
2013	\$ 5,790,313	78.2%
2014	5,383,929	71.0%
2015	5,364,723	35.2%

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

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department

Budget and Actual

GENERAL FUND

For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
General government:				
Friend of the Court	\$ 4,378,502	\$ 4,277,741	\$ 4,011,497	\$ (266,244)
Administration	812,901	899,850	863,534	(36,316)
Residential Energy Efficiency Program	-	1,290,201	1,318,472	28,271
Elections	184,386	202,891	196,998	(5,893)
Accounting	819,646	886,808	865,426	(21,382)
Corporate Counsel	165,000	328,920	342,515	13,595
County Clerk	385,028	376,715	380,058	3,343
Circuit Court Records	523,941	500,119	486,890	(13,229)
Juror Showcase	14,000	14,000	6,068	(7,932)
Equalization	1,455,062	1,401,284	1,379,613	(21,671)
Human Resources	249,970	365,938	351,110	(14,828)
City of Muskegon	98,899	98,144	98,726	582
Prosecutor	1,995,460	1,954,568	1,931,348	(23,220)
Register of Deeds	614,152	625,332	614,292	(11,040)
Johnny O. Harris Building	4,073	5,069	13,445	8,376
Training Center	81,187	125,027	121,377	(3,650)
Kenneth L. Brinks Building	-	30,425	28,678	(1,747)
Veterans Center	18,965	19,062	12,164	(6,898)
Central Services Building	9,741	4,081	4,397	316
Stark Hall	20,611	14,330	13,690	(640)
Treasurer	505,301	634,452	627,435	(7,017)
Shady Grove Cemetery	2,241	2,980	2,518	(462)
Cordova Site O&M	1,349	2,329	2,365	36
Courthouse and Grounds	956,747	1,081,187	1,103,739	22,552
Oak Ave. Building	163,070	162,013	163,567	1,554
County Jail Building	387,921	420,586	474,460	53,874
Drain Commissioner	271,926	357,924	326,353	(31,571)
Plat Board	700	-	-	-
Vehicle Pool	15,000	15,075	14,076	(999)
State Institutions	276,192	276,192	291,151	14,959
Prosecutor Family Court	232,364	226,916	222,228	(4,688)
Misc Contingency	868,213	1,527,539	1,573,832	46,293
Appropriations	-	-	29,202	29,202
Total general government	<u>15,512,548</u>	<u>18,127,698</u>	<u>17,871,224</u>	<u>(256,474)</u>
Legislative:				
Board of Commissioners	<u>369,320</u>	<u>347,679</u>	<u>345,331</u>	<u>(2,348)</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Expenditures by Department

Budget and Actual

GENERAL FUND

For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Judicial:				
Circuit Court	\$ 1,328,578	\$ 1,174,243	\$ 1,158,810	\$ (15,433)
Circuit Court Collections	80,198	136,393	131,190	(5,203)
District Court	3,306,262	3,322,548	3,287,835	(34,713)
Probation Cobo Hall Tax	181,855	180,679	170,609	(10,070)
District Court Collections	186,528	190,518	191,114	596
Law Library	21,115	14,412	6,840	(7,572)
Jury Commission	39,300	55,761	59,879	4,118
Probate Court	798,161	812,974	809,560	(3,414)
Juvenile Court	613,897	586,491	559,325	(27,166)
State Probation	68,112	63,717	64,332	615
Public Defender	1,408,269	1,589,679	1,558,594	(31,085)
Total judicial	<u>8,032,275</u>	<u>8,127,415</u>	<u>7,998,088</u>	<u>(129,327)</u>
Public safety:				
Designated & Pass-thru Revenues	1,253,113	738,250	731,392	(6,858)
Facility Security Services	93,800	138,724	139,295	571
County Jail Building 2015	-	-	2,391	2,391
Sheriff Operations	3,714,011	4,069,680	4,036,480	(33,200)
Sheriff Administration	502,895	500,083	497,750	(2,333)
Emergency Response Team	25,337	4,582	4,582	-
Officer Training Act 302	10,000	10,000	7,379	(2,621)
Correction Officer Training	60,000	60,000	47,151	(12,849)
Sheriff Jail	6,030,029	6,040,291	6,106,146	65,855
Courtroom Security	1,162,588	1,036,560	1,031,533	(5,027)
Vector Control	439,350	438,247	432,119	(6,128)
Total public safety	<u>13,291,123</u>	<u>13,036,417</u>	<u>13,036,218</u>	<u>(199)</u>
Cultural:				
MSU Extension	181,256	173,295	171,246	(2,049)
Fairgrounds Training Center	23,066	36,628	39,634	3,006
Total cultural	<u>204,322</u>	<u>209,923</u>	<u>210,880</u>	<u>957</u>
Total expenditures	<u>\$ 37,409,588</u>	<u>\$ 39,849,132</u>	<u>\$ 39,461,741</u>	<u>\$ (387,391)</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

Schedule of Transfers Out by Function

Budget and Actual

GENERAL FUND

For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Transfers out:				
Special Revenue Funds:				
Judicial:				
Sobriety Court	\$ (236,116)	\$ (220,492)	\$ (197,193)	\$ (23,299)
Prosecutor Family Court	(157,364)	(144,596)	(140,666)	(3,930)
Family Court	(1,633,818)	(1,341,900)	(1,001,111)	(340,789)
Law Library	(14,065)	(7,312)	669	(7,981)
Public safety funds	(686,929)	(692,180)	(729,654)	37,474
Health, welfare and cultural funds:				
Child care fund	(4,215,736)	(4,187,976)	(4,207,901)	19,925
Public health fund	(1,913,732)	(1,737,320)	(1,708,859)	(28,461)
HealthWest fund	(786,934)	(786,934)	(786,935)	1
Other health, welfare and cultural funds	(12,904)	(6,488)	(5,205)	(1,283)
Debt service funds	(206,460)	(207,113)	(207,113)	-
Enterprise Funds:				
Brookhaven Medical Care Facility	(350,000)	(487,132)	(350,000)	(137,132)
Airport Fund	(511,667)	(418,965)	(511,667)	92,702
Elimination	1,805,247	1,493,808	1,141,108	352,700
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total transfers out	\$ (8,920,478)	\$ (8,744,600)	\$ (8,704,527)	\$ (40,073)

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.

Parks 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.

Swift and Sure Sanctions Probation Program (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.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

Mental Health Court (2156)--to account for State Court Administrative Office (SCAO) funding aimed at reducing participant recidivism by supporting collaborative program activities of the 60th District Court and HealthWest. The Mental Health Court screens and selects willing defendants with mental illness into a judicially-supervised community-based treatment program overseen by a team of court staff and mental health professionals working together to develop treatment plans and supervise participants in the community.

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 Health Improvement (2217)--to account for donor funds designated to support activities promoting the health of uninsured individuals participating in a community health coverage and health risk management program.

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.

Blight Elimination (2550)--to account for grant funding from local municipality and state sources to support activities aimed at residential blight elimination.

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

Concealed Pistol Licensing (2630)--to account for the deposit of license-issuance fees charged by the County Clerk relating to criminal record checks performed by the County Sheriff. Under state statute, these CPL funds may be used by Clerk's office for certain staffing costs, technology upgrades, supplies, and document storage and retrieval systems implementation and upgrades.

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.

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

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

Job Driven National Emergency Grant (NEG) (2775)--to account for assistance in response to significant dislocation events beyond the scope of on-going operations of the formula-based Dislocated Worker program.

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

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.

COUNTY OF MUSKEGON, MICHIGAN

Nonmajor Governmental Funds

Crime Victims' Rights (2800)--to account for Federal and State funds received by the County to pay for coordinators to work with and support victims of a crime. The coordinators advise victims of their rights, make referrals to appropriate counseling agencies, if necessary, and acts as a liaison between the victim and the criminal justice system.

Muskegon Area Stormwater Committee (2823)--to account for local municipalities funds for payment to the State for groundwater pollution testing and the permitting of groundwater discharge into local watersheds.

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 HealthWest for use in maintaining the HealthWest 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

Capital Projects (4010)--to account for revenue and expenditures associated with capital outlays relating to governmental activities projects authorized by the 2015 Capital Improvement Bonds. (Business-type activities projects funded by these bonds are recorded in the appropriate proprietary fund.

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.

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COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2015

	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)
ASSETS							
Cash and investments	\$ -	\$ -	\$ -	\$ 20	\$ -	\$ 8,272	\$ 304,635
Receivables, net:							
Accounts	-	17,918	-	-	-	-	-
Due from other governments	33,409	7,562	58,870	-	36,507	2,955	-
Accrued interest	-	-	-	-	-	-	-
Long-term notes	-	-	-	-	-	-	-
Prepaid and other items	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	\$ 33,409	\$ 25,480	\$ 58,870	\$ 20	\$ 36,507	\$ 11,227	\$ 304,635
LIABILITIES AND FUND BALANCES							
Liabilities:							
Negative equity in pooled cash	\$ 12,058	\$ 10,661	\$ 24,627	\$ -	\$ 32,289	\$ -	\$ -
Payables:							
Accounts payable	15,904	9,841	987	-	358	-	22,130
Due to other governments	-	-	-	20	-	-	-
Accrued liabilities	5,447	4,978	6,087	-	3,860	5,026	7,511
Unearned revenue	-	-	-	-	-	6,201	-
Total liabilities	<u>33,409</u>	<u>25,480</u>	<u>31,701</u>	<u>20</u>	<u>36,507</u>	<u>11,227</u>	<u>29,641</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	274,994
Assigned	-	-	27,169	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>27,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,994</u>
Total liabilities and fund balances	\$ 33,409	\$ 25,480	\$ 58,870	\$ 20	\$ 36,507	\$ 11,227	\$ 304,635

Special Revenue Funds

Access & Visitation (2151)	SSSPP Grant (2153)	Mental Health Court (2156)	Health Department (2210)	Lead Hazard Grant (2212)	Community Health Improvement (2217)	Sustainability Grant (2261)	NOAA Habitat Conservation Grant (2271)	Accommodations Tax (2300)	Parks Development (2411)
\$ 30	\$ -	\$ -	\$ 194,631	\$ 181,764	\$ 74,555	\$ -	\$ -	\$ 689,721	\$ -
-	-	-	5,529	-	58,238	-	-	116,969	-
900	143,781	-	125,389	-	-	21,056	26,955	-	1,059
-	-	-	-	-	-	-	-	-	-
-	-	-	60	-	-	-	-	-	-
-	-	-	15,630	-	-	-	-	-	-
<u>\$ 930</u>	<u>\$ 143,781</u>	<u>\$ -</u>	<u>\$ 341,239</u>	<u>\$ 181,764</u>	<u>\$ 132,793</u>	<u>\$ 21,056</u>	<u>\$ 26,955</u>	<u>\$ 806,690</u>	<u>\$ 1,059</u>
\$ -	\$ 141,344	\$ -	\$ -	\$ -	\$ -	\$ 1,056	\$ 26,332	\$ -	\$ 1,059
900	2,437	-	142,315	13,869	132,793	-	617	19,420	-
-	-	-	7,493	-	-	-	-	-	-
-	-	-	164,620	3,497	-	-	-	8,587	-
-	-	-	2,485	164,398	-	20,000	-	-	-
<u>900</u>	<u>143,781</u>	<u>-</u>	<u>316,913</u>	<u>181,764</u>	<u>132,793</u>	<u>21,056</u>	<u>26,949</u>	<u>28,007</u>	<u>1,059</u>
-	-	-	15,690	-	-	-	-	-	-
30	-	-	-	-	-	-	6	778,683	-
-	-	-	-	-	-	-	-	-	-
-	-	-	8,636	-	-	-	-	-	-
<u>30</u>	<u>-</u>	<u>-</u>	<u>24,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>778,683</u>	<u>-</u>
<u>\$ 930</u>	<u>\$ 143,781</u>	<u>\$ -</u>	<u>\$ 341,239</u>	<u>\$ 181,764</u>	<u>\$ 132,793</u>	<u>\$ 21,056</u>	<u>\$ 26,955</u>	<u>\$ 806,690</u>	<u>\$ 1,059</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2015

	Special Revenue Funds						
	CDBG Housing Grant (2470)	Neighborhood Stabilization Grant (2471)	Blight Elimination (2550)	Deed Automation (2560)	Concealed Pistol Licensing (2630)	Community Corrections (2640)	TNT Drug (2671)
ASSETS							
Cash and investments	\$ 1,288	\$ -	\$ -	\$ 1,159,206	\$ 13,572	\$ -	\$ 5,013
Receivables, net:							
Accounts	-	-	18,000	-	-	-	-
Due from other governments	11,022	27,711	282,115	-	-	14,639	-
Accrued interest	-	-	-	-	-	-	-
Long-term notes	-	-	-	-	-	-	-
Prepaid and other items	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 12,310</u>	<u>\$ 27,711</u>	<u>\$ 300,115</u>	<u>\$ 1,159,206</u>	<u>\$ 13,572</u>	<u>\$ 14,639</u>	<u>\$ 5,013</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Negative equity in pooled cash	\$ -	\$ 27,682	\$ 182,010	\$ -	\$ -	\$ 1,783	\$ -
Payables:							
Accounts payable	-	29	56,052	14,778	-	5,334	-
Due to other governments	-	-	-	-	-	270	-
Accrued liabilities	-	-	-	1,882	-	7,252	-
Unearned revenue	-	-	62,053	-	-	-	-
Total liabilities	<u>-</u>	<u>27,711</u>	<u>300,115</u>	<u>16,660</u>	<u>-</u>	<u>14,639</u>	<u>-</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	12,310	-	-	1,142,546	-	-	5,013
Committed	-	-	-	-	13,572	-	-
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>12,310</u>	<u>-</u>	<u>-</u>	<u>1,142,546</u>	<u>13,572</u>	<u>-</u>	<u>5,013</u>
Total liabilities and fund balances	<u>\$ 12,310</u>	<u>\$ 27,711</u>	<u>\$ 300,115</u>	<u>\$ 1,159,206</u>	<u>\$ 13,572</u>	<u>\$ 14,639</u>	<u>\$ 5,013</u>

Special Revenue Funds

Prosecutor Drug (2672)	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)
\$ 1,590	\$ -	\$ -	\$ 57,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	8,326	7,958	171	1,177	-	-	-	20,000	-
-	88,000	38,258	-	837,717	5,789	39,898	220,799	165,044	58,264
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 1,590</u>	<u>\$ 96,326</u>	<u>\$ 46,216</u>	<u>\$ 57,189</u>	<u>\$ 838,894</u>	<u>\$ 5,789</u>	<u>\$ 39,898</u>	<u>\$ 220,799</u>	<u>\$ 185,044</u>	<u>\$ 58,264</u>
\$ -	\$ 96,003	\$ 39,214	\$ -	\$ 798,168	\$ 1,294	\$ 39,898	\$ 188,322	\$ 183,441	\$ 48,736
-	323	7,002	57,189	40,726	4,495	-	32,477	1,603	9,528
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	96,326	46,216	57,189	838,894	5,789	39,898	220,799	185,044	58,264
-	-	-	-	-	-	-	-	-	-
1,590	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>1,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,590</u>	<u>\$ 96,326</u>	<u>\$ 46,216</u>	<u>\$ 57,189</u>	<u>\$ 838,894</u>	<u>\$ 5,789</u>	<u>\$ 39,898</u>	<u>\$ 220,799</u>	<u>\$ 185,044</u>	<u>\$ 58,264</u>

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COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2015

	Special Revenue Funds						
	Strategic Planning (2765)	WIA Youth Statewide (2766)	WIA Service Center Operations (2767)	Job Driven National Emergency (2775)	WIA Gold Standard Evaluation (2788)	United Way Summer Youth (2790)	Skilled Trades Training (2792)
ASSETS							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 25,409	\$ -	\$ -
Receivables, net:							
Accounts	-	-	-	1,381	-	5,000	-
Due from other governments	-	1,935	14,554	-	-	-	161,736
Accrued interest	-	-	-	-	-	-	-
Long-term notes	-	-	-	-	-	-	-
Prepaid and other items	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 1,935</u>	<u>\$ 14,554</u>	<u>\$ 1,381</u>	<u>\$ 25,409</u>	<u>\$ 5,000</u>	<u>\$ 161,736</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Negative equity in pooled cash	\$ -	\$ 1,935	\$ 13,966	\$ 1,381	\$ -	\$ 5,000	\$ 7,702
Payables:							
Accounts payable	-	-	588	-	25,409	-	154,034
Due to other governments	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,935</u>	<u>14,554</u>	<u>1,381</u>	<u>25,409</u>	<u>5,000</u>	<u>161,736</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,935</u>	<u>\$ 14,554</u>	<u>\$ 1,381</u>	<u>\$ 25,409</u>	<u>\$ 5,000</u>	<u>\$ 161,736</u>

Special Revenue Funds

Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	EDC Loan Revolving (2860)	Rambusch - Ruchs CDBG Grant (2873)	Remuneration Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Care (2930)	Veteran's Trust (2940)	Mental Health Buildings (2970)
\$ -	\$ 30,575	\$ -	\$ 3,549	\$ 22,089	\$ 17,891	\$ -	\$ 59,525	\$ 3,453	\$ 97,751
-	-	15,000	-	-	-	18,259	4,393	-	-
56,980	-	-	-	-	-	2,505,726	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 56,980</u>	<u>\$ 30,575</u>	<u>\$ 15,000</u>	<u>\$ 3,549</u>	<u>\$ 22,089</u>	<u>\$ 17,891</u>	<u>\$ 2,523,985</u>	<u>\$ 63,918</u>	<u>\$ 3,453</u>	<u>\$ 97,751</u>
\$ 46,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,168,271	\$ -	\$ -	\$ -
1,837	11,424	-	-	-	17,891	250,373	288	2,570	17,755
-	-	-	-	-	-	24,063	-	-	-
7,313	-	-	-	-	-	81,278	31	-	652
-	-	-	-	22,089	-	-	-	-	-
<u>55,923</u>	<u>11,424</u>	<u>-</u>	<u>-</u>	<u>22,089</u>	<u>17,891</u>	<u>2,523,985</u>	<u>319</u>	<u>2,570</u>	<u>18,407</u>
-	-	-	-	-	-	-	-	-	-
-	19,151	15,000	3,549	-	-	-	63,599	883	79,344
-	-	-	-	-	-	-	-	-	-
1,057	-	-	-	-	-	-	-	-	-
<u>1,057</u>	<u>19,151</u>	<u>15,000</u>	<u>3,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,599</u>	<u>883</u>	<u>79,344</u>
<u>\$ 56,980</u>	<u>\$ 30,575</u>	<u>\$ 15,000</u>	<u>\$ 3,549</u>	<u>\$ 22,089</u>	<u>\$ 17,891</u>	<u>\$ 2,523,985</u>	<u>\$ 63,918</u>	<u>\$ 3,453</u>	<u>\$ 97,751</u>

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COUNTY OF MUSKEGON, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2015

	Special Revenue Funds	Debt Service Funds				Capital Projects Funds	
	Quality of Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)	Jail & Juvenile Transition Center (3660)	Capital Projects (4010)	CMH Apple Building (4140)
ASSETS							
Cash and investments	\$ 31,385	\$ 288,077	\$ -	\$ 130,255	\$ 1,905,414	\$ 935,126	\$ -
Receivables, net:							
Accounts	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-
Long-term notes	-	-	-	-	-	-	-
Prepaid and other items	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 31,385</u>	<u>\$ 288,077</u>	<u>\$ -</u>	<u>\$ 130,255</u>	<u>\$ 1,905,414</u>	<u>\$ 935,126</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payables:							
Accounts payable	-	1,500	-	1,200	1,190	-	-
Due to other governments	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,200</u>	<u>1,190</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	31,385	286,577	-	129,055	1,904,224	935,126	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>31,385</u>	<u>286,577</u>	<u>-</u>	<u>129,055</u>	<u>1,904,224</u>	<u>935,126</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 31,385</u>	<u>\$ 288,077</u>	<u>\$ -</u>	<u>\$ 130,255</u>	<u>\$ 1,905,414</u>	<u>\$ 935,126</u>	<u>\$ -</u>

Capital Projects Funds			Permanent Fund	
Heritage Landing Development (4180)	Public Improvement (4930)	Capital Improvement (4960)	Cemetery Trust (1500)	Total
\$ 56,226	\$ 122,376	\$ -	\$ 36,806	\$ 6,457,222
-	-	-	-	298,319
-	-	-	-	4,988,630
-	-	-	141	141
-	550,000	300,000	-	850,000
-	-	-	-	60
-	-	-	-	15,630
<u>\$ 56,226</u>	<u>\$ 672,376</u>	<u>\$ 300,000</u>	<u>\$ 36,947</u>	<u>\$ 12,610,002</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,101,005
-	19,661	-	-	1,096,827
-	-	-	-	31,846
-	-	-	-	308,021
-	-	-	-	277,226
-	<u>19,661</u>	-	-	<u>5,814,925</u>
-	550,000	300,000	36,947	902,637
42,373	-	-	-	5,450,444
-	102,715	-	-	391,281
13,853	-	-	-	50,715
<u>56,226</u>	<u>652,715</u>	<u>300,000</u>	<u>36,947</u>	<u>6,795,077</u>
<u>\$ 56,226</u>	<u>\$ 672,376</u>	<u>\$ 300,000</u>	<u>\$ 36,947</u>	<u>\$ 12,610,002</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, 2015

	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)
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	45,000	152,595	-	489,717	66,638	-	-
State	33,409	-	80,345	-	147,870	-	-
Local	-	-	-	-	-	104,655	-
Charges for services	106,024	-	-	-	-	-	755,608
Fines and forfeitures	-	-	-	-	-	-	-
Investment income	-	126	-	-	-	-	1,666
Rentals	-	-	-	-	-	-	-
Other	-	1,195	-	-	-	-	-
Total revenues	<u>184,433</u>	<u>153,916</u>	<u>80,345</u>	<u>489,717</u>	<u>214,508</u>	<u>104,655</u>	<u>757,274</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Judicial	381,626	-	-	-	-	-	-
Public safety	-	290,090	186,093	27,500	314,686	210,457	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Cultural	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	644,666
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Bond issuance expense	-	-	-	-	-	-	-
Capital outlay	-	77,438	-	453,588	-	-	5,500
Total expenditures	<u>381,626</u>	<u>367,528</u>	<u>186,093</u>	<u>481,088</u>	<u>314,686</u>	<u>210,457</u>	<u>650,166</u>
Revenues over (under) expenditures	<u>(197,193)</u>	<u>(213,612)</u>	<u>(105,748)</u>	<u>8,629</u>	<u>(100,178)</u>	<u>(105,802)</u>	<u>107,108</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	197,193	211,666	117,353	-	100,178	105,802	-
Transfers out	-	-	-	(11,604)	-	-	(25,602)
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-	-	-
Premium on issuance of long-term debt	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>197,193</u>	<u>211,666</u>	<u>117,353</u>	<u>(11,604)</u>	<u>100,178</u>	<u>105,802</u>	<u>(25,602)</u>
Net change in fund balances	-	(1,946)	11,605	(2,975)	-	-	81,506
Fund balances, beginning of year	-	1,946	15,564	2,975	-	-	193,488
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,994</u>

Special Revenue Funds

Access & Visitation (2151)	SSSPP Grant (2153)	Mental Health Court (2156)	Health Department (2210)	Lead Hazard Grant (2212)	Community Health Improvement (2217)	Sustain-ability Grant (2261)	NOAA Habitat Conservation Grant (2271)	Accomoda-tions Tax (2300)	Parks Development (2411)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,152,610	\$ -
4,795	-	-	1,860,447	369,140	-	-	22,095	-	-
-	225,232	2,575	1,493,615	-	-	21,056	-	-	1,059
-	-	-	169	77,670	-	-	-	-	-
-	-	-	640,057	-	896,936	-	-	56,300	-
-	-	-	-	-	-	-	-	-	-
-	-	-	389	-	3,574	-	-	4,451	-
-	-	-	-	-	-	-	-	7,210	-
-	-	-	48,211	-	-	-	-	251	-
4,795	225,232	2,575	4,042,888	446,810	900,510	21,056	22,095	1,220,822	1,059
-	-	-	-	-	1,142,233	-	-	971,964	-
4,795	-	-	-	-	-	-	-	-	-
-	229,076	-	-	-	-	-	-	-	-
-	-	2,575	6,094,448	446,810	-	-	22,095	-	-
-	-	-	-	-	-	21,056	-	-	-
-	-	-	-	-	-	-	-	-	1,772
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
4,795	229,076	2,575	6,094,448	446,810	1,142,233	21,056	22,095	971,964	1,772
-	(3,844)	-	(2,051,560)	-	(241,723)	-	-	248,858	(713)
-	3,844	-	1,708,859	-	241,723	-	-	-	713
-	-	-	(241,723)	-	-	-	-	(130,629)	-
-	-	-	2,919	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	3,844	-	1,470,055	-	241,723	-	-	(130,629)	713
-	-	-	(581,505)	-	-	-	-	118,229	-
30	-	-	605,831	-	-	-	6	660,454	-
\$ 30	\$ -	\$ -	\$ 24,326	\$ -	\$ -	\$ -	\$ 6	\$ 778,683	\$ -

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2015

	Special Revenue Funds						
	CDBG Housing Grant (2470)	Neighborhood Stabilization Grant (2471)	Blight Elimination (2550)	Deed Automation (2560)	Concealed Pistol Licensing (2630)	Community Corrections (2640)	TNT Drug (2671)
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	71,132	75,069	-	-	-	-	-
State	-	-	282,115	-	-	156,952	-
Local	-	-	43,947	-	-	-	-
Charges for services	-	-	-	164,329	-	10,700	-
Fines and forfeitures	-	-	-	-	-	-	386
Investment income	-	59	571	9,673	-	-	-
Rentals	-	-	-	-	-	-	-
Other	19,567	57,107	26,440	-	13,572	-	-
Total revenues	<u>90,699</u>	<u>132,235</u>	<u>353,073</u>	<u>174,002</u>	<u>13,572</u>	<u>167,652</u>	<u>386</u>
EXPENDITURES							
Current:							
General government	-	-	-	207,205	-	-	-
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	333,633	307
Health	-	-	-	-	-	-	-
Welfare	78,389	146,215	353,073	-	-	-	-
Cultural	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Bond issuance expense	-	-	-	-	-	-	-
Capital outlay	-	-	-	757	-	-	-
Total expenditures	<u>78,389</u>	<u>146,215</u>	<u>353,073</u>	<u>207,962</u>	<u>-</u>	<u>333,633</u>	<u>307</u>
Revenues over (under) expenditures	<u>12,310</u>	<u>(13,980)</u>	<u>-</u>	<u>(33,960)</u>	<u>13,572</u>	<u>(165,981)</u>	<u>79</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	165,981	-
Transfers out	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-	-	-
Premium on issuance of long-term debt	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,981</u>	<u>-</u>
Net change in fund balances	<u>12,310</u>	<u>(13,980)</u>	<u>-</u>	<u>(33,960)</u>	<u>13,572</u>	<u>-</u>	<u>79</u>
Fund balances, beginning of year	-	13,980	-	1,176,506	-	-	4,934
Fund balances, end of year	<u>\$ 12,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,142,546</u>	<u>\$ 13,572</u>	<u>\$ -</u>	<u>\$ 5,013</u>

Special Revenue Funds

Prosecutor Drug (2672)	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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	318,340	142,851	-	2,549,759	10,059	168,196	803,545	608,694	348,802
-	-	-	-	431,363	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	4,464	-	-	-	-	-	-
-	40,243	-	-	-	-	-	-	-	-
-	358,583	142,851	4,464	2,981,122	10,059	168,196	803,545	608,694	348,802
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
155	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	358,583	142,851	4,464	2,981,122	10,059	168,196	803,545	608,694	348,802
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
155	358,583	142,851	4,464	2,981,122	10,059	168,196	803,545	608,694	348,802
(155)	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
(155)	-	-	-	-	-	-	-	-	-
1,745	-	-	-	-	-	-	-	-	-
\$ 1,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2015

	Special Revenue Funds						
	Strategic Planning (2765)	WIA Youth Statewide (2766)	WIA Service Center Operations (2767)	Job Driven National Emergency (2775)	WIA Gold Standard Evaluation (2788)	United Way Summer Youth (2790)	Skilled Trades Training (2792)
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	-	1,935	53,496	1,381	-	-	-
State	-	-	-	-	-	-	194,281
Local	-	-	-	-	-	75,000	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	9,200	6,989	-
Total revenues	<u>-</u>	<u>1,935</u>	<u>53,496</u>	<u>1,381</u>	<u>9,200</u>	<u>81,989</u>	<u>194,281</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	-	1,935	53,496	1,381	29,414	81,989	194,281
Cultural	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Bond issuance expense	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,935</u>	<u>53,496</u>	<u>1,381</u>	<u>29,414</u>	<u>81,989</u>	<u>194,281</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,214)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	(23)	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-	-	-
Premium on issuance of long-term debt	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(23)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(23)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,214)</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	23	-	-	-	20,214	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

Crime Victims' Rights (2800)	Muskegon Area Stormwater Committee (2823)	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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 309,309	\$ -	\$ -
43,025	-	-	-	-	-	42,055	-	-	-
169,580	-	-	-	80,812	-	3,814,471	-	22,212	-
400	48,000	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	6,536	-	-	-	-	513	-	931
-	-	-	-	-	-	-	-	-	398,904
-	-	-	-	-	-	373,377	-	-	-
213,005	48,000	6,536	-	80,812	-	4,229,903	309,822	22,212	399,835
-	37,428	38,475	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
249,440	-	-	-	-	-	-	-	-	-
-	-	-	-	-	5,205	8,437,804	-	-	405,654
-	-	-	-	80,812	-	-	269,967	34,432	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	8,400	-	-
249,440	37,428	38,475	-	80,812	5,205	8,437,804	278,367	34,432	405,654
(36,435)	10,572	(31,939)	-	-	(5,205)	(4,207,901)	31,455	(12,220)	(5,819)
36,434	-	-	-	-	5,205	4,207,901	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
36,434	-	-	-	-	5,205	4,207,901	-	-	-
(1)	10,572	(31,939)	-	-	-	-	31,455	(12,220)	(5,819)
1,058	8,579	46,939	3,549	-	-	-	32,144	13,103	85,163
\$ 1,057	\$ 19,151	\$ 15,000	\$ 3,549	\$ -	\$ -	\$ -	\$ 63,599	\$ 883	\$ 79,344

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COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2015

	Special Revenue Fund	Debt Service Funds				Capital Projects Funds	
	Quality of Victim Restitution (2980)	Quality of Life Debt (3111)	Hall of Justice Debt (3130)	CMH Building (3140)	Jail & Juvenile Transition Center (3660)	Capital Projects (4010)	CMH Apple Building (4140)
REVENUES							
Taxes	\$ -	\$ 1,091,181	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:							
Federal	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-
Charges for services	2,289	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income	273	8,640	-	756	20,205	-	-
Rentals	-	-	-	507,822	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	<u>2,562</u>	<u>1,099,821</u>	<u>-</u>	<u>508,578</u>	<u>20,205</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Current:							
General government	4,192	-	1,488	-	1,190	-	-
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health	-	-	-	2,836	-	-	-
Welfare	-	-	-	-	-	-	-
Cultural	-	2,363	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	1,180,000	415,000	185,000	-	-	-
Interest and fiscal charges	-	84,001	106,359	326,569	1,846,326	-	-
Bond issuance expense	-	-	-	-	-	22,370	-
Capital outlay	-	-	-	-	-	23,107	-
Total expenditures	<u>4,192</u>	<u>1,266,364</u>	<u>522,847</u>	<u>514,405</u>	<u>1,847,516</u>	<u>45,477</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,630)</u>	<u>(166,543)</u>	<u>(522,847)</u>	<u>(5,827)</u>	<u>(1,827,311)</u>	<u>(45,477)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	522,847	-	-	-	-
Transfers out	-	-	-	-	-	-	(8)
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-	955,000	-
Premium on issuance of long-term debt	-	-	-	-	-	25,603	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>522,847</u>	<u>-</u>	<u>-</u>	<u>980,603</u>	<u>(8)</u>
Net change in fund balances	<u>(1,630)</u>	<u>(166,543)</u>	<u>-</u>	<u>(5,827)</u>	<u>(1,827,311)</u>	<u>935,126</u>	<u>(8)</u>
Fund balances, beginning of year	33,015	453,120	-	134,882	3,731,535	-	8
Fund balances, end of year	<u>\$ 31,385</u>	<u>\$ 286,577</u>	<u>\$ -</u>	<u>\$ 129,055</u>	<u>\$ 1,904,224</u>	<u>\$ 935,126</u>	<u>\$ -</u>

Capital Projects Funds			Permanent Fund	
Heritage Landing Development (4180)	Public Improvement (4930)	Capital Improvement (4960)	Cemetery Trust (1500)	Total
\$ -	\$ -	\$ -	\$ -	\$ 2,553,100
-	-	-	-	8,248,766
-	-	-	-	7,156,947
-	-	-	-	349,841
-	-	-	-	2,632,243
-	-	-	-	386
-	566	-	123	59,052
-	12,500	-	-	930,900
-	-	-	-	596,152
-	13,066	-	123	22,527,387
-	-	-	266	2,404,441
-	-	-	-	386,421
-	-	-	-	1,841,437
-	-	-	-	15,417,427
-	-	-	-	6,691,944
-	-	-	-	84,947
-	-	-	-	644,666
-	20,000	-	-	1,800,000
-	-	-	-	2,363,255
-	-	-	-	22,370
11,515	19,700	-	-	600,005
11,515	39,700	-	266	32,256,913
(11,515)	(26,634)	-	(143)	(9,729,526)
-	-	-	-	7,625,699
-	(59,940)	-	-	(469,529)
-	164,289	-	-	167,208
-	-	-	-	955,000
-	-	-	-	25,603
-	104,349	-	-	8,303,981
(11,515)	77,715	-	(143)	(1,425,545)
67,741	575,000	300,000	37,090	8,220,622
\$ 56,226	\$ 652,715	\$ 300,000	\$ 36,947	\$ 6,795,077

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, 2015

	Sobriety Court (1170)			Emergency Services (1190)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	45,000	45,000	-	116,635	152,595	35,960
State	65,000	33,409	(31,591)	-	-	-
Local	-	-	-	-	-	-
Charges for services	99,090	106,024	6,934	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	54	126	72
Rentals	-	-	-	-	-	-
Other	-	-	-	1,195	1,195	-
Total revenues	<u>209,090</u>	<u>184,433</u>	<u>(24,657)</u>	<u>117,884</u>	<u>153,916</u>	<u>36,032</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	429,582	381,626	(47,956)	-	-	-
Public safety	-	-	-	303,110	290,090	(13,020)
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	36,750	77,438	40,688
Total expenditures	<u>429,582</u>	<u>381,626</u>	<u>(47,956)</u>	<u>339,860</u>	<u>367,528</u>	<u>27,668</u>
Revenues over (under) expenditures	<u>(220,492)</u>	<u>(197,193)</u>	<u>23,299</u>	<u>(221,976)</u>	<u>(213,612)</u>	<u>8,364</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	220,492	197,193	(23,299)	220,030	211,666	(8,364)
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>220,492</u>	<u>197,193</u>	<u>(23,299)</u>	<u>220,030</u>	<u>211,666</u>	<u>(8,364)</u>
Net change in fund balances	-	-	-	(1,946)	(1,946)	-
Fund balances, beginning of year	-	-	-	1,946	1,946	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	642,774	489,717	(153,057)	79,500	66,638	(12,862)
80,200	80,345	145	-	-	-	147,870	147,870	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
80,200	80,345	145	642,774	489,717	(153,057)	227,370	214,508	(12,862)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
157,387	186,093	28,706	38,199	27,500	(10,699)	321,362	314,686	(6,676)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
557	-	(557)	604,575	453,588	(150,987)	-	-	-
157,944	186,093	28,149	642,774	481,088	(161,686)	321,362	314,686	(6,676)
(77,744)	(105,748)	(28,004)	-	8,629	8,629	(93,992)	(100,178)	(6,186)
79,903	117,353	37,450	-	-	-	93,992	100,178	6,186
-	-	-	(2,975)	(11,604)	8,629	-	-	-
-	-	-	-	-	-	-	-	-
79,903	117,353	37,450	(2,975)	(11,604)	8,629	93,992	100,178	6,186
2,159	11,605	9,446	(2,975)	(2,975)	-	-	-	-
15,564	15,564	-	2,975	2,975	-	-	-	-
\$ 17,723	\$ 27,169	\$ 9,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2015

	Township Patrols (1240)			Park Fund (2080)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	104,040	104,655	615	-	-	-
Charges for services	-	-	-	690,347	755,608	65,261
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	600	1,666	1,066
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>104,040</u>	<u>104,655</u>	<u>615</u>	<u>690,947</u>	<u>757,274</u>	<u>66,327</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	208,080	210,457	2,377	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	670,215	644,666	(25,549)
Capital outlay	-	-	-	5,500	5,500	-
Total expenditures	<u>208,080</u>	<u>210,457</u>	<u>2,377</u>	<u>675,715</u>	<u>650,166</u>	<u>(25,549)</u>
Revenues over (under) expenditures	<u>(104,040)</u>	<u>(105,802)</u>	<u>(1,762)</u>	<u>15,232</u>	<u>107,108</u>	<u>91,876</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	104,040	105,802	1,762	-	-	-
Transfers out	-	-	-	(60,258)	(25,602)	(34,656)
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>104,040</u>	<u>105,802</u>	<u>1,762</u>	<u>(60,258)</u>	<u>(25,602)</u>	<u>(34,656)</u>
Net change in fund balances	-	-	-	(45,026)	81,506	126,532
Fund balances, beginning of year	-	-	-	193,488	193,488	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,462</u>	<u>\$ 274,994</u>	<u>\$ 126,532</u>

Access & Visitation (2151)			SSSPP Grant (2153)			Mental Health Court (2156)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,850	4,795	(55)	-	-	-	-	-	-
-	-	-	249,084	225,232	(23,852)	2,575	2,575	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>4,850</u>	<u>4,795</u>	<u>(55)</u>	<u>249,084</u>	<u>225,232</u>	<u>(23,852)</u>	<u>2,575</u>	<u>2,575</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
4,850	4,795	(55)	-	-	-	-	-	-
-	-	-	249,084	229,076	(20,008)	-	-	-
-	-	-	-	-	-	2,575	2,575	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>4,850</u>	<u>4,795</u>	<u>(55)</u>	<u>249,084</u>	<u>229,076</u>	<u>(20,008)</u>	<u>2,575</u>	<u>2,575</u>	<u>-</u>
-	-	-	-	(3,844)	(3,844)	-	-	-
-	-	-	-	3,844	3,844	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	3,844	3,844	-	-	-
-	-	-	-	-	-	-	-	-
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, 2015

	Health Department (2210)			Lead Hazard Grant (2212)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	1,588,055	1,860,447	272,392	657,435	369,140	(288,295)
State	1,669,652	1,493,615	(176,037)	-	-	-
Local	169	169	-	151,190	77,670	(73,520)
Charges for services	616,945	640,057	23,112	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	316	389	73	-	-	-
Rentals	-	-	-	-	-	-
Other	52,775	48,211	(4,564)	-	-	-
Total revenues	<u>3,927,912</u>	<u>4,042,888</u>	<u>114,976</u>	<u>808,625</u>	<u>446,810</u>	<u>(361,815)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	6,005,015	6,094,448	89,433	808,625	446,810	(361,815)
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>6,005,015</u>	<u>6,094,448</u>	<u>89,433</u>	<u>808,625</u>	<u>446,810</u>	<u>(361,815)</u>
Revenues over (under) expenditures	<u>(2,077,103)</u>	<u>(2,051,560)</u>	<u>25,543</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,737,320	1,708,859	(28,461)	-	-	-
Transfers out	(241,723)	(241,723)	-	-	-	-
Proceeds from sale of capital assets	-	2,919	2,919	-	-	-
Total other financing sources (uses)	<u>1,495,597</u>	<u>1,470,055</u>	<u>(25,542)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(581,506)</u>	<u>(581,505)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	605,831	605,831	-	-	-	-
Fund balances, end of year	<u>\$ 24,325</u>	<u>\$ 24,326</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Community Health Improvement (2217)			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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	391,240	22,095	(369,145)
-	-	-	24,000	21,056	(2,944)	-	-	-
-	-	-	-	-	-	-	-	-
767,853	896,936	129,083	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,534	3,574	40	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>771,387</u>	<u>900,510</u>	<u>129,123</u>	<u>24,000</u>	<u>21,056</u>	<u>(2,944)</u>	<u>391,240</u>	<u>22,095</u>	<u>(369,145)</u>
1,009,441	1,142,233	132,792	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	391,240	22,095	(369,145)
-	-	-	24,000	21,056	(2,944)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,009,441</u>	<u>1,142,233</u>	<u>132,792</u>	<u>24,000</u>	<u>21,056</u>	<u>(2,944)</u>	<u>391,240</u>	<u>22,095</u>	<u>(369,145)</u>
<u>(238,054)</u>	<u>(241,723)</u>	<u>(3,669)</u>	-	-	-	-	-	-
241,723	241,723	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>241,723</u>	<u>241,723</u>	-	-	-	-	-	-	-
3,669	-	(3,669)	-	-	-	-	-	-
-	-	-	-	-	-	6	6	-
<u>\$ 3,669</u>	<u>\$ -</u>	<u>\$ (3,669)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ -</u>

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COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2015

	Accommodations Tax (2300)			Parks Development (2411)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ 1,130,000	\$ 1,152,610	\$ 22,610	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	30,000	1,059	(28,941)
Local	-	-	-	-	-	-
Charges for services	97,180	56,300	(40,880)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	4,451	4,451	-	-	-
Rentals	9,500	7,210	(2,290)	-	-	-
Other	-	251	251	-	-	-
Total revenues	<u>1,236,680</u>	<u>1,220,822</u>	<u>(15,858)</u>	<u>30,000</u>	<u>1,059</u>	<u>(28,941)</u>
EXPENDITURES						
Current:						
General government	1,096,762	971,964	(124,798)	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	11,114	1,772	(9,342)
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	53,000	-	(53,000)
Total expenditures	<u>1,096,762</u>	<u>971,964</u>	<u>(124,798)</u>	<u>64,114</u>	<u>1,772</u>	<u>(62,342)</u>
Revenues over (under) expenditures	<u>139,918</u>	<u>248,858</u>	<u>108,940</u>	<u>(34,114)</u>	<u>(713)</u>	<u>33,401</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	34,114	713	(33,401)
Transfers out	(312,088)	(130,629)	(181,459)	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>(312,088)</u>	<u>(130,629)</u>	<u>(181,459)</u>	<u>34,114</u>	<u>713</u>	<u>(33,401)</u>
Net change in fund balances	<u>(172,170)</u>	<u>118,229</u>	<u>290,399</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	660,454	660,454	-	-	-	-
Fund balances, end of year	<u>\$ 488,284</u>	<u>\$ 778,683</u>	<u>\$ 290,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CDBG Housing Grant (2470)			Neighborhood Stabilization Grant (2471)			Blight Elimination (2550)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58,917	71,132	12,215	67,081	75,069	7,988	-	-	-
-	-	-	-	-	-	581,527	282,115	(299,412)
-	-	-	-	-	-	156,000	43,947	(112,053)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	75	59	(16)	384	571	187
-	-	-	-	-	-	-	-	-
19,373	19,567	194	92,844	57,107	(35,737)	51,440	26,440	(25,000)
<u>78,290</u>	<u>90,699</u>	<u>12,409</u>	<u>160,000</u>	<u>132,235</u>	<u>(27,765)</u>	<u>789,351</u>	<u>353,073</u>	<u>(436,278)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
78,290	78,389	99	124,263	146,215	21,952	774,851	353,073	(421,778)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>78,290</u>	<u>78,389</u>	<u>99</u>	<u>124,263</u>	<u>146,215</u>	<u>21,952</u>	<u>774,851</u>	<u>353,073</u>	<u>(421,778)</u>
-	12,310	12,310	35,737	(13,980)	(49,717)	14,500	-	(14,500)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	12,310	12,310	35,737	(13,980)	(49,717)	14,500	-	(14,500)
-	-	-	13,980	13,980	-	-	-	-
<u>\$ -</u>	<u>\$ 12,310</u>	<u>\$ 12,310</u>	<u>\$ 49,717</u>	<u>\$ -</u>	<u>\$ (49,717)</u>	<u>\$ 14,500</u>	<u>\$ -</u>	<u>\$ (14,500)</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, 2015

	Deed Automation (2560)			Concealed Pistol Licensing (2630)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	170,000	164,329	(5,671)	3,630	-	(3,630)
Fines and forfeitures	-	-	-	-	-	-
Investment income	10,000	9,673	(327)	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	16,670	13,572	(3,098)
Total revenues	<u>180,000</u>	<u>174,002</u>	<u>(5,998)</u>	<u>20,300</u>	<u>13,572</u>	<u>(6,728)</u>
EXPENDITURES						
Current:						
General government	288,825	207,205	(81,620)	834	-	(834)
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	210,000	757	(209,243)	-	-	-
Total expenditures	<u>498,825</u>	<u>207,962</u>	<u>(290,863)</u>	<u>834</u>	<u>-</u>	<u>(834)</u>
Revenues over (under) expenditures	<u>(318,825)</u>	<u>(33,960)</u>	<u>284,865</u>	<u>19,466</u>	<u>13,572</u>	<u>(5,894)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(318,825)</u>	<u>(33,960)</u>	<u>284,865</u>	<u>19,466</u>	<u>13,572</u>	<u>(5,894)</u>
Fund balances, beginning of year	1,176,506	1,176,506	-	-	-	-
Fund balances, end of year	<u>\$ 857,681</u>	<u>\$ 1,142,546</u>	<u>\$ 284,865</u>	<u>\$ 19,466</u>	<u>\$ 13,572</u>	<u>\$ (5,894)</u>

Community Corrections (2640)			TNT Drug (2671)			Prosecutor Drug (2672)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
157,747	156,952	(795)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
10,000	10,700	700	-	-	-	-	-	-
-	-	-	4,410	386	(4,024)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>167,747</u>	<u>167,652</u>	<u>(95)</u>	<u>4,410</u>	<u>386</u>	<u>(4,024)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
332,873	333,633	760	239	307	68	155	155	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>332,873</u>	<u>333,633</u>	<u>760</u>	<u>239</u>	<u>307</u>	<u>68</u>	<u>155</u>	<u>155</u>	<u>-</u>
<u>(165,126)</u>	<u>(165,981)</u>	<u>(855)</u>	<u>4,171</u>	<u>79</u>	<u>(4,092)</u>	<u>(155)</u>	<u>(155)</u>	<u>-</u>
165,126	165,981	855	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>165,126</u>	<u>165,981</u>	<u>855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	4,171	79	(4,092)	(155)	(155)	-
-	-	-	4,934	4,934	-	1,745	1,745	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,105</u>	<u>\$ 5,013</u>	<u>\$ (4,092)</u>	<u>\$ 1,590</u>	<u>\$ 1,590</u>	<u>\$ -</u>

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COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2015

	Wagner Peyser (2731)			Trade Adjustment Assistance (2733)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	300,000	318,340	18,340	174,100	142,851	(31,249)
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	35,000	40,243	5,243	-	-	-
Total revenues	<u>335,000</u>	<u>358,583</u>	<u>23,583</u>	<u>174,100</u>	<u>142,851</u>	<u>(31,249)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	335,000	358,583	23,583	174,100	142,851	(31,249)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>335,000</u>	<u>358,583</u>	<u>23,583</u>	<u>174,100</u>	<u>142,851</u>	<u>(31,249)</u>
Revenues over (under) expenditures	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DET Cost Pool (2739)			Jobs Education & Training (2751)			Food Assistance Employment & Training (2759)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	2,550,000	2,549,759	(241)	51,510	10,059	(41,451)
-	-	-	435,000	431,363	(3,637)	811	-	(811)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,200	4,464	1,264	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,200</u>	<u>4,464</u>	<u>1,264</u>	<u>2,985,000</u>	<u>2,981,122</u>	<u>(3,878)</u>	<u>52,321</u>	<u>10,059</u>	<u>(42,262)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,200	4,464	1,264	2,985,000	2,981,122	(3,878)	52,321	10,059	(42,262)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,200</u>	<u>4,464</u>	<u>1,264</u>	<u>2,985,000</u>	<u>2,981,122</u>	<u>(3,878)</u>	<u>52,321</u>	<u>10,059</u>	<u>(42,262)</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, 2015

	WIA Admin Pool (2760)			WIA Adult Program (2761)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	168,000	168,196	196	900,600	803,545	(97,055)
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>168,000</u>	<u>168,196</u>	<u>196</u>	<u>900,600</u>	<u>803,545</u>	<u>(97,055)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	168,000	168,196	196	900,600	803,545	(97,055)
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>168,000</u>	<u>168,196</u>	<u>196</u>	<u>900,600</u>	<u>803,545</u>	<u>(97,055)</u>
Revenues over (under) expenditures	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WIA Youth Programs (2762)			WIA Dislocated Worker Program (2763)			Strategic Planning (2765)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
645,400	608,694	(36,706)	546,500	348,802	(197,698)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
645,400	608,694	(36,706)	546,500	348,802	(197,698)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
645,400	608,694	(36,706)	546,500	348,802	(197,698)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(23)	23
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(23)	23
-	-	-	-	-	-	-	(23)	(23)
-	-	-	-	-	-	23	23	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ -	\$ (23)

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COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2015

	WIA Youth Statewide (2766)			WIA Service Center Operations (2767)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	1,935	1,935	50,000	53,496	3,496
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>1,935</u>	<u>1,935</u>	<u>50,000</u>	<u>53,496</u>	<u>3,496</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Welfare	-	1,935	1,935	50,000	53,496	3,496
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,935</u>	<u>1,935</u>	<u>50,000</u>	<u>53,496</u>	<u>3,496</u>
Revenues over (under) expenditures	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Job Driven National Emergency (2775)			WIA Gold Standard Evaluation (2788)			United Way Summer Youth (2790)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,000	1,381	(12,619)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	75,000	75,000	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	9,200	9,200	-	2,000	6,989	4,989
<u>14,000</u>	<u>1,381</u>	<u>(12,619)</u>	<u>9,200</u>	<u>9,200</u>	<u>-</u>	<u>77,000</u>	<u>81,989</u>	<u>4,989</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
14,000	1,381	(12,619)	9,200	29,414	20,214	77,000	81,989	4,989
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>14,000</u>	<u>1,381</u>	<u>(12,619)</u>	<u>9,200</u>	<u>29,414</u>	<u>20,214</u>	<u>77,000</u>	<u>81,989</u>	<u>4,989</u>
-	-	-	-	(20,214)	(20,214)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	(20,214)	(20,214)	-	-	-
-	-	-	20,214	20,214	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,214</u>	<u>\$ -</u>	<u>\$ (20,214)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2015

	Skilled Trades Training (2792)			Crime Victims' Rights (2800)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	47,044	43,025	(4,019)
State	423,100	194,281	(228,819)	177,344	169,580	(7,764)
Local	-	-	-	-	400	400
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>423,100</u>	<u>194,281</u>	<u>(228,819)</u>	<u>224,388</u>	<u>213,005</u>	<u>(11,383)</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	256,452	249,440	(7,012)
Health	-	-	-	-	-	-
Welfare	423,100	194,281	(228,819)	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>423,100</u>	<u>194,281</u>	<u>(228,819)</u>	<u>256,452</u>	<u>249,440</u>	<u>(7,012)</u>
Revenues over (under) expenditures	-	-	-	(32,064)	(36,435)	(4,371)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	32,064	36,434	4,370
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,064</u>	<u>36,434</u>	<u>4,370</u>
Net change in fund balances	-	-	-	-	(1)	(1)
Fund balances, beginning of year	-	-	-	1,058	1,058	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,058</u>	<u>\$ 1,057</u>	<u>\$ (1)</u>

Muskegon Area Stormwater Committee (2823)			EDC Loan Revolving (2860)			Rambusch-Ruchs CDBG Grant (2873)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
48,000	48,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	6,742	6,536	(206)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
48,000	48,000	-	6,742	6,536	(206)	-	-	-
48,000	37,428	(10,572)	48,681	38,475	(10,206)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
48,000	37,428	(10,572)	48,681	38,475	(10,206)	-	-	-
-	10,572	10,572	(41,939)	(31,939)	10,000	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	10,572	10,572	(41,939)	(31,939)	10,000	-	-	-
8,579	8,579	-	46,939	46,939	-	3,549	3,549	-
\$ 8,579	\$ 19,151	\$ 10,572	\$ 5,000	\$ 15,000	\$ 10,000	\$ 3,549	\$ 3,549	\$ -

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COUNTY OF MUSKEGON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended September 30, 2015

	Remonumentation Program (2890)			Social Welfare (2910)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	123,238	80,812	(42,426)	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>123,238</u>	<u>80,812</u>	<u>(42,426)</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	6,488	5,205	(1,283)
Welfare	-	-	-	-	-	-
Cultural	123,238	80,812	(42,426)	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>123,238</u>	<u>80,812</u>	<u>(42,426)</u>	<u>6,488</u>	<u>5,205</u>	<u>(1,283)</u>
Revenues over (under) expenditures	-	-	-	(6,488)	(5,205)	1,283
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	6,488	5,205	(1,283)
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,488</u>	<u>5,205</u>	<u>(1,283)</u>
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Child Care Facility (2920)			Veteran's Care (2930)			Veteran's Trust (2940)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ 304,938	\$ 309,309	\$ 4,371	\$ -	\$ -	\$ -
41,158	42,055	897	-	-	-	-	-	-
3,717,767	3,814,471	96,704	-	-	-	40,450	22,212	(18,238)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	500	513	13	-	-	-
-	-	-	-	-	-	-	-	-
319,135	373,377	54,242	-	-	-	-	-	-
<u>4,078,060</u>	<u>4,229,903</u>	<u>151,843</u>	<u>305,438</u>	<u>309,822</u>	<u>4,384</u>	<u>40,450</u>	<u>22,212</u>	<u>(18,238)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
8,266,036	8,437,804	171,768	-	-	-	-	-	-
-	-	-	297,138	269,967	(27,171)	40,450	34,432	(6,018)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	8,300	8,400	100	-	-	-
<u>8,266,036</u>	<u>8,437,804</u>	<u>171,768</u>	<u>305,438</u>	<u>278,367</u>	<u>(27,071)</u>	<u>40,450</u>	<u>34,432</u>	<u>(6,018)</u>
<u>(4,187,976)</u>	<u>(4,207,901)</u>	<u>(19,925)</u>	-	31,455	31,455	-	(12,220)	(12,220)
4,187,976	4,207,901	19,925	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>4,187,976</u>	<u>4,207,901</u>	<u>19,925</u>	-	-	-	-	-	-
-	-	-	-	31,455	31,455	-	(12,220)	(12,220)
-	-	-	32,144	32,144	-	13,103	13,103	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,144</u>	<u>\$ 63,599</u>	<u>\$ 31,455</u>	<u>\$ 13,103</u>	<u>\$ 883</u>	<u>\$ (12,220)</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, 2015

	Mental Health Buildings (2970)			Quality of Victim Restitution (2980)		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions:						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	4,500	2,289	(2,211)
Fines and forfeitures	-	-	-	-	-	-
Investment income	1,049	931	(118)	300	273	(27)
Rentals	391,667	398,904	7,237	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>392,716</u>	<u>399,835</u>	<u>7,119</u>	<u>4,800</u>	<u>2,562</u>	<u>(2,238)</u>
EXPENDITURES						
Current:						
General government	-	-	-	12,000	4,192	(7,808)
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	431,349	405,654	(25,695)	-	-	-
Welfare	-	-	-	-	-	-
Cultural	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>431,349</u>	<u>405,654</u>	<u>(25,695)</u>	<u>12,000</u>	<u>4,192</u>	<u>(7,808)</u>
Revenues over (under) expenditures	<u>(38,633)</u>	<u>(5,819)</u>	<u>32,814</u>	<u>(7,200)</u>	<u>(1,630)</u>	<u>5,570</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(38,633)</u>	<u>(5,819)</u>	<u>32,814</u>	<u>(7,200)</u>	<u>(1,630)</u>	<u>5,570</u>
Fund balances, beginning of year	85,163	85,163	-	33,015	33,015	-
Fund balances, end of year	<u>\$ 46,530</u>	<u>\$ 79,344</u>	<u>\$ 32,814</u>	<u>\$ 25,815</u>	<u>\$ 31,385</u>	<u>\$ 5,570</u>

concluded

COUNTY OF MUSKEGON, MICHIGAN

■ Nonmajor Enterprise Funds

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, 2015

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
ASSETS				
Current assets:				
Cash and investments	\$ 767,922	\$ -	\$ 174,275	\$ 942,197
Receivables, net:				
Accounts	-	9,144	-	9,144
Due from other governments	-	1,559,499	600	1,560,099
Total current assets	<u>767,922</u>	<u>1,568,643</u>	<u>174,875</u>	<u>2,511,440</u>
Noncurrent assets:				
Restricted assets	129,956	-	-	129,956
Capital assets not being depreciated	-	354,753	-	354,753
Capital assets being depreciated, net	65,271	10,210,618	31,850	10,307,739
Total noncurrent assets	<u>195,227</u>	<u>10,565,371</u>	<u>31,850</u>	<u>10,792,448</u>
Total assets	<u>963,149</u>	<u>12,134,014</u>	<u>206,725</u>	<u>13,303,888</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension amounts	-	210,972	-	210,972
LIABILITIES				
Current liabilities:				
Negative equity in pooled cash	-	1,282,426	-	1,282,426
Accounts payable	-	95,294	2,725	98,019
Accrued liabilities	1,887	100,227	1,348	103,462
Unearned revenue	-	-	560	560
Current portion of accrued closure cost and sludge removal	37,959	-	-	37,959
Current portion of compensated absences	192	37,566	-	37,758
Total current liabilities	<u>40,038</u>	<u>1,515,513</u>	<u>4,633</u>	<u>1,560,184</u>
Noncurrent liabilities, net of current portion:				
Accrued closure cost and sludge removal	860,046	-	-	860,046
Compensated absences	1,131	221,328	-	222,459
Net pension liability	-	1,844,990	-	1,844,990
Net other postemployment benefit obligation	-	314,732	-	314,732
Total noncurrent liabilities	<u>861,177</u>	<u>2,381,050</u>	<u>-</u>	<u>3,242,227</u>
Total liabilities	<u>901,215</u>	<u>3,896,563</u>	<u>4,633</u>	<u>4,802,411</u>
NET POSITION				
Net investment in capital assets	65,271	10,565,371	31,850	10,662,492
Unrestricted (deficit)	(3,337)	(2,116,948)	170,242	(1,950,043)
Total net position	<u>\$ 61,934</u>	<u>\$ 8,448,423</u>	<u>\$ 202,092</u>	<u>\$ 8,712,449</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, 2015

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
Operating revenues:				
Charges for services	\$ -	\$ 612,549	\$ 69,757	\$ 682,306
Other revenues	-	374	-	374
Total operating revenues	-	612,923	69,757	682,680
Operating expenses:				
Salaries and fringes	71,570	3,293,073	33,980	3,398,623
Supplies and other operating expenses	(48,564)	1,445,236	30,896	1,427,568
Depreciation	3,784	828,131	-	831,915
Total operating expenses	26,790	5,566,440	64,876	5,658,106
Operating income (loss)	(26,790)	(4,953,517)	4,881	(4,975,426)
Nonoperating revenues:				
Grants and contributions:				
Federal	-	2,319,177	-	2,319,177
State	-	1,229,118	-	1,229,118
Local	-	152,350	-	152,350
Interest income	6,852	173	1,600	8,625
Gain on sale of capital assets	-	26,764	-	26,764
Total nonoperating revenues	6,852	3,727,582	1,600	3,736,034
Income (loss) before capital contributions	(19,938)	(1,225,935)	6,481	(1,239,392)
Capital contributions - federal	-	2,252,493	-	2,252,493
Capital contributions - state	-	568,205	-	568,205
Change in net position	(19,938)	1,594,763	6,481	1,581,306
Net position, beginning of year, as restated	81,872	6,853,660	195,611	7,131,143
Net position, end of year	\$ 61,934	\$ 8,448,423	\$ 202,092	\$ 8,712,449

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended September 30, 2015

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ -	\$ 620,542	\$ 70,980	\$ 691,522
Payments to vendors	(8,774)	(830,066)	(32,392)	(871,232)
Payments for personnel services	(71,859)	(2,997,523)	(33,620)	(3,103,002)
Net cash provided by (used in) operating activities	<u>(80,633)</u>	<u>(3,207,047)</u>	<u>4,968</u>	<u>(3,282,712)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Federal and/or state grants	-	3,175,031	-	3,175,031
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions received	-	2,820,698	-	2,820,698
Proceeds from sale of capital assets	-	26,764	-	26,764
Purchase of capital assets	-	(2,815,619)	(31,850)	(2,847,469)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>31,843</u>	<u>(31,850)</u>	<u>(7)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>6,852</u>	<u>173</u>	<u>1,600</u>	<u>8,625</u>
Net decrease in cash and investments	(73,781)	-	(25,282)	(99,063)
Cash and investments, beginning of year	841,703	-	199,557	1,041,260
Cash and investments, end of year	<u>\$ 767,922</u>	<u>\$ -</u>	<u>\$ 174,275</u>	<u>\$ 942,197</u>

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COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended September 30, 2015

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Total
Reconciliation of operating income (loss) to net cash provided by (used in) by operating activities:				
Operating income (loss)	\$ (26,790)	\$ (4,953,517)	\$ 4,881	\$ (4,975,426)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	3,784	828,131	-	831,915
Changes in assets and liabilities:				
Accounts receivable	-	7,619	1,165	8,784
Due from other governments	-	-	(600)	(600)
Accrued interest receivable	2,430	-	498	2,928
Restricted assets	992	-	-	992
Negative equity in pooled cash	-	861,390	-	861,390
Accounts payable	-	(246,220)	(1,496)	(247,716)
Accrued liabilities	358	25,858	360	26,576
Unearned revenue	-	-	160	160
Accrued closure cost and sludge removal	(60,760)	-	-	(60,760)
Accrued compensated absences	(647)	70,153	-	69,506
Net pension liability and deferred pension amounts	-	74,265	-	74,265
Net other postemployment benefit obligation	-	125,274	-	125,274
Net cash provided by (used in) operating activities	<u>\$ (80,633)</u>	<u>\$ (3,207,047)</u>	<u>\$ 4,968</u>	<u>\$ (3,282,712)</u>

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COUNTY OF MUSKEGON, MICHIGAN

Internal Service Funds

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

South Campus Facilities (6340)--to account for the operations and maintenance of County buildings clustered in a one block area. This fund is self-sustaining with the revenues generated to be used for maintaining the buildings.

Sheriff Garage (6345)--to account for the operations of an automotive repair facility run by the sheriff's department. The fund is self-sustaining with the revenues generated to be used for maintaining sheriff and other County vehicles.

Energy Improvements (6350)--to account for the replacement and upgrading of most County buildings to provide for energy efficiency. The fund is 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.

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Net Position
Internal Service Funds
September 30, 2015

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
ASSETS			
Current assets:			
Cash and investments	\$ 117,531	\$ 27,311	\$ 16,443
Receivable, net:			
Accounts	-	-	-
Due from other governments	3,754	-	-
Accrued interest	-	-	-
Prepays	-	-	-
Total current assets	<u>121,285</u>	<u>27,311</u>	<u>16,443</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	-	-	86,009
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>101,009</u>
Total assets	<u>121,285</u>	<u>27,311</u>	<u>117,452</u>
LIABILITIES			
Current liabilities:			
Payables:			
Accounts payable	4,652	23,429	104
Due to other governments	-	-	-
Accrued liabilities	5,048	3,882	-
Accrued interest	-	-	-
Unearned revenue	-	-	-
Current portion of compensated absences	6,771	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>16,471</u>	<u>27,311</u>	<u>104</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences	39,892	-	-
Long-term debt	-	-	-
Total noncurrent liabilities	<u>39,892</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>56,363</u>	<u>27,311</u>	<u>104</u>
NET POSITION			
Net investment in capital assets	-	-	101,009
Unrestricted	64,922	-	16,339
Total net position	<u>\$ 64,922</u>	<u>\$ -</u>	<u>\$ 117,348</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	Total
\$ 1,038,895	\$ 1,309,485	\$ 3,251,339	\$ 5,761,004
-	46	365,735	365,781
-	11,294	-	15,048
-	-	165,281	165,281
-	19,200	1,129,773	1,148,973
<u>1,038,895</u>	<u>1,340,025</u>	<u>4,912,128</u>	<u>7,456,087</u>
-	-	750,584	750,584
-	-	786,341	786,341
-	-	200,000	200,000
-	1,878,427	-	1,893,427
5,446,500	10,696,663	-	16,229,172
<u>5,446,500</u>	<u>12,575,090</u>	<u>1,736,925</u>	<u>19,859,524</u>
<u>6,485,395</u>	<u>13,915,115</u>	<u>6,649,053</u>	<u>27,315,611</u>
1,200	225,004	598,608	852,997
-	-	166,996	166,996
-	18,037	2,515,029	2,541,996
181,656	85,277	-	266,933
-	-	20,599	20,599
-	16,339	-	23,110
200,000	545,054	-	745,054
<u>382,856</u>	<u>889,711</u>	<u>3,301,232</u>	<u>4,617,685</u>
-	78,515	-	78,515
-	96,268	-	136,160
6,055,000	7,404,496	-	13,459,496
<u>6,055,000</u>	<u>7,579,279</u>	<u>-</u>	<u>13,674,171</u>
<u>6,437,856</u>	<u>8,468,990</u>	<u>3,301,232</u>	<u>18,291,856</u>
(808,500)	4,625,540	-	3,918,049
856,039	820,585	3,347,821	5,105,706
<u>\$ 47,539</u>	<u>\$ 5,446,125</u>	<u>\$ 3,347,821</u>	<u>\$ 9,023,755</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, 2015

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
Operating revenues:			
Premiums	\$ -	\$ -	\$ -
Rentals	-	796,645	2,439
Other revenues	524,485	-	-
Total operating revenues	<u>524,485</u>	<u>796,645</u>	<u>2,439</u>
Operating expenses:			
Salaries and fringes	135,882	162,512	-
Supplies and other operating expenses	394,058	694,073	2,440
Insurance benefits and claims	-	-	-
Insurance premiums	-	-	-
Depreciation	-	-	9,224
Total operating expenses	<u>529,940</u>	<u>856,585</u>	<u>11,664</u>
Operating income (loss)	<u>(5,455)</u>	<u>(59,940)</u>	<u>(9,225)</u>
Nonoperating revenues (expense):			
Interest income	666	-	-
Interest expense	-	-	-
Bond issuance expense	-	-	-
Gain (loss) on sale of capital assets	213	-	-
Total nonoperating revenues (expenses)	<u>879</u>	<u>-</u>	<u>-</u>
Income (loss) before capital contributions and transfers	(4,576)	(59,940)	(9,225)
Capital contributions - federal	-	-	-
Transfers in	-	59,940	-
Change in net position	<u>(4,576)</u>	<u>-</u>	<u>(9,225)</u>
Net position, beginning of year	69,498	-	126,573
Net position, end of year	<u>\$ 64,922</u>	<u>\$ -</u>	<u>\$ 117,348</u>

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	Total
\$ -	\$ -	\$ 18,667,874	\$ 18,667,874
-	830,234	-	1,629,318
-	3,047,578	3,438,718	7,010,781
-	3,877,812	22,106,592	27,307,973
-	562,047	841,866	1,702,307
16,208	1,070,081	189,867	2,366,727
-	-	1,116,772	1,116,772
-	-	18,469,467	18,469,467
389,013	1,771,247	-	2,169,484
405,221	3,403,375	20,617,972	25,824,757
(405,221)	474,437	1,488,620	1,483,216
434,924	23,187	541,510	1,000,287
(437,136)	(224,432)	-	(661,568)
-	(31,152)	-	(31,152)
-	(172,193)	-	(171,980)
(2,212)	(404,590)	541,510	135,587
(407,433)	69,847	2,030,130	1,618,803
450,760	-	-	450,760
-	-	-	59,940
43,327	69,847	2,030,130	2,129,503
4,212	5,376,278	1,317,691	6,894,252
\$ 47,539	\$ 5,446,125	\$ 3,347,821	\$ 9,023,755

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended September 30, 2015

	Office Services (6330)	South Campus Facilities (6340)	Sheriff Garage (6345)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 525,081	\$ 796,645	\$ 2,439
Payments to vendors	(392,608)	(704,746)	(2,445)
Payments for personnel services	(135,012)	(162,135)	-
Net cash provided by (used in) operating activities	<u>(2,539)</u>	<u>(70,236)</u>	<u>(6)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental receipts	-	59,940	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
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	213	-	-
Purchase of capital assets	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>213</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	666	-	-
Net increase (decrease) in cash and investments	(1,660)	(10,296)	(6)
Cash and investments, beginning of year	119,191	37,607	16,449
Cash and investments, end of year	<u>\$ 117,531</u>	<u>\$ 27,311</u>	<u>\$ 16,443</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (5,455)	\$ (59,940)	\$ (9,225)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	9,224
Changes in assets and liabilities:			
Accounts receivable	351	-	-
Due from other governments	(6)	-	-
Accrued interest receivable	251	-	-
Prepays	-	-	-
Deposits held with others	-	-	-
Accounts payable	1,450	(10,673)	(5)
Due to other governments	-	-	-
Accrued liabilities	149	377	-
Unearned revenue	-	-	-
Compensated absences	721	-	-
Net cash provided by (used in) operating activities	<u>\$ (2,539)</u>	<u>\$ (70,236)</u>	<u>\$ (6)</u>

Noncash transactions

The Equipment Revolving fund financed the acquisition of capital asset with noncash capital leases of \$130,664 for the year ended September 30, 2015.

Energy Improvements (6350)	Equipment Revolving (6660)	Insurance (6770)	Total
\$ -	\$ 3,867,014	\$ 21,817,114	\$ 27,008,293
(12,987)	(1,048,951)	(21,310,730)	(23,472,467)
-	(431,403)	(1,647,541)	(2,376,091)
<u>(12,987)</u>	<u>2,386,660</u>	<u>(1,141,157)</u>	<u>1,159,735</u>
-	-	-	59,940
-	1,370,000	-	1,370,000
-	59,536	-	59,536
(200,000)	(849,645)	-	(1,049,645)
(442,944)	(204,208)	-	(647,152)
450,760	-	-	450,760
-	(2,075,576)	-	(2,075,576)
-	-	-	213
-	(728,445)	-	(728,445)
<u>(192,184)</u>	<u>(2,428,338)</u>	<u>-</u>	<u>(2,620,309)</u>
434,924	23,187	541,510	1,000,287
229,753	(18,491)	(599,647)	(400,347)
809,142	1,327,976	3,850,986	6,161,351
<u>\$ 1,038,895</u>	<u>\$ 1,309,485</u>	<u>\$ 3,251,339</u>	<u>\$ 5,761,004</u>
\$ (405,221)	\$ 474,437	\$ 1,488,620	\$ 1,483,216
389,013	1,771,247	-	2,169,484
-	-	(142,001)	(141,650)
-	(11,294)	-	(11,300)
2,021	496	(150,699)	(147,931)
-	(19,200)	(880,259)	(899,459)
-	-	(390,934)	(390,934)
1,200	40,330	(263,431)	(231,129)
-	-	49,032	49,032
-	18,037	(854,707)	(836,144)
-	-	3,222	3,222
-	112,607	-	113,328
<u>\$ (12,987)</u>	<u>\$ 2,386,660</u>	<u>\$ (1,141,157)</u>	<u>\$ 1,159,735</u>

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COUNTY OF MUSKEGON, MICHIGAN

Agency Funds

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

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

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.

HealthWest Client Funds (7930)--to account for monies held in trust for clients of the County's HealthWest department, which provides community mental health services.

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities Agency Funds September 30, 2015

	Trust And Agency (7010)	Library Penal Fines Fund (7210)	Labor Management Program (7910)
ASSETS			
Cash and investments	\$ 7,532,264	\$ 87,557	\$ 1,948
Receivables:			
Accounts	163	-	-
Total assets	<u>\$ 7,532,427</u>	<u>\$ 87,557</u>	<u>\$ 1,948</u>
LIABILITIES			
Accounts payable	\$ 14,635	\$ -	\$ -
Due to other governments	475,316	-	-
Undistributed current and delinquent taxes	6,164,847	-	-
Trust deposits	762,805	-	-
Unallocated receipts	114,824	87,557	1,948
Total liabilities	<u>\$ 7,532,427</u>	<u>\$ 87,557</u>	<u>\$ 1,948</u>



HealthWest Client Funds (7930)	Total
\$ 288,851	\$ 7,910,620
-	163
<u>\$ 288,851</u>	<u>\$ 7,910,783</u>
\$ -	\$ 14,635
-	475,316
-	6,164,847
-	762,805
288,851	493,180
<u>\$ 288,851</u>	<u>\$ 7,910,783</u>

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2015

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
Trust and Agency Fund (7010)				
ASSETS				
Cash and investments	\$ 7,653,639	\$ 148,505,056	\$ (148,626,431)	\$ 7,532,264
Accounts receivable	-	71,536	(71,373)	163
Total assets	<u>\$ 7,653,639</u>	<u>\$ 148,576,592</u>	<u>\$ (148,697,804)</u>	<u>\$ 7,532,427</u>
LIABILITIES				
Accounts payable	\$ 9,305	\$ 44,458,606	\$ (44,453,276)	\$ 14,635
Due to other governments	443,023	5,634,867	(5,602,574)	475,316
Undistributed current and delinquent taxes	6,623,540	56,003,003	(56,461,696)	6,164,847
Trust deposits	441,442	21,103,267	(20,781,904)	762,805
Unallocated receipts	136,329	21,376,849	(21,398,354)	114,824
Total liabilities	<u>\$ 7,653,639</u>	<u>\$ 148,576,592</u>	<u>\$ (148,697,804)</u>	<u>\$ 7,532,427</u>
Library Penal Fines (7210)				
ASSETS				
Cash and investments	\$ 95,604	\$ 343,292	\$ (351,339)	\$ 87,557
Accrued interest receivable	451	523	(974)	-
Total assets	<u>\$ 96,055</u>	<u>\$ 343,815</u>	<u>\$ (352,313)</u>	<u>\$ 87,557</u>
LIABILITIES				
Unallocated receipts	<u>\$ 96,055</u>	<u>\$ 343,815</u>	<u>\$ (352,313)</u>	<u>\$ 87,557</u>
Labor Management Program (7910)				
ASSETS				
Cash and investments	\$ 83,235	\$ 17,167	\$ (98,454)	\$ 1,948
Accrued interest receivable	242	259	(501)	-
Total assets	<u>\$ 83,477</u>	<u>\$ 17,426</u>	<u>\$ (98,955)</u>	<u>\$ 1,948</u>
LIABILITIES				
Accrued liabilities	\$ 447	\$ -	\$ (447)	\$ -
Unallocated receipts	83,030	17,426	(98,508)	1,948
Total liabilities	<u>\$ 83,477</u>	<u>\$ 17,426</u>	<u>\$ (98,955)</u>	<u>\$ 1,948</u>
CMH Client Funds (7930)				
ASSETS				
Cash and investments	<u>\$ 296,429</u>	<u>\$ 3,704,725</u>	<u>\$ (3,712,303)</u>	<u>\$ 288,851</u>
LIABILITIES				
Accounts payable	\$ 3,276	\$ 3,593,753	\$ (3,597,029)	\$ -
Unallocated receipts	293,153	110,972	(115,274)	288,851
Total liabilities	<u>\$ 296,429</u>	<u>\$ 3,704,725</u>	<u>\$ (3,712,303)</u>	<u>\$ 288,851</u>

continued...

COUNTY OF MUSKEGON, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2015

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
Total All Agency Funds				
ASSETS				
Cash and investments	\$ 8,128,907	\$ 152,570,240	\$ (152,788,527)	\$ 7,910,620
Accounts receivable	-	71,536	(71,373)	163
Accrued interest receivable	693	782	(1,475)	-
Total assets	<u>\$ 8,129,600</u>	<u>\$ 152,642,558</u>	<u>\$ (152,861,375)</u>	<u>\$ 7,910,783</u>
LIABILITIES				
Accounts payable	\$ 12,581	\$ 48,052,359	\$ (48,050,305)	14,635
Due to other governments	443,023	5,634,867	(5,602,574)	475,316
Undistributed current and delinquent taxes	6,623,540	56,003,003	(56,461,696)	6,164,847
Trust deposits	441,442	21,103,267	(20,781,904)	762,805
Accrued liabilities	447	-	(447)	-
Unallocated receipts	608,567	21,849,062	(21,964,449)	493,180
Total liabilities	<u>\$ 8,129,600</u>	<u>\$ 152,642,558</u>	<u>\$ (152,861,375)</u>	<u>\$ 7,910,783</u>

concluded

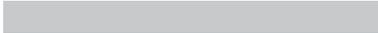
COUNTY OF MUSKEGON, MICHIGAN

Combining Governmental Funds Balance Sheet / Statement of Net Position

Drainage Districts Component Unit

September 30, 2015

	Governmental Funds			
	General Fund	Lake Level	Capital Projects	Total
ASSETS				
Cash and investments	\$ 73,989	\$ -	\$ 21,500	\$ 95,489
Receivables:				
Assessments	666,701	-	-	666,701
Due from other governments	-	1,656	-	1,656
Capital assets not being depreciated	-	-	-	-
Capital assets being depreciated, net	-	-	-	-
Total assets	\$ 740,690	\$ 1,656	\$ 21,500	\$ 763,846
LIABILITIES				
Negative equity in pooled cash	\$ -	\$ 1,619	\$ -	\$ 1,619
Accounts payable	36,498	37	-	36,535
Advances from primary government	-	-	21,500	21,500
Long-term liabilities:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	36,498	1,656	21,500	59,654
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - assessment receivable	403,153	-	-	403,153
FUND BALANCES/NET POSITION				
Fund balances:				
Unassigned	301,039	-	-	301,039
Total liabilities, deferred inflows of resources and fund balances	\$ 740,690	\$ 1,656	\$ 21,500	\$ 763,846
Net position:				
Net investment in capital assets				
Unrestricted				
Total net position				



Adjustments	Statement of Net Position
\$ (1,619)	\$ 93,870
-	666,701
-	1,656
95,247	95,247
3,156,464	<u>3,156,464</u>
	<u>4,013,938</u>
(1,619)	-
-	36,535
-	21,500
60,000	60,000
350,000	<u>350,000</u>
	468,035
(403,153)	-
(301,039)	<u>-</u>
2,841,711	2,841,711
704,192	704,192
	<u>\$ 3,545,903</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, 2015

	Governmental Funds			
	General Fund	Lake Level	Capital Projects	Total
Expenditures / expenses:				
Construction and maintenance	\$ 626,846	\$ 2,443	\$ 21,400	\$ 650,689
Depreciation	-	-	-	-
Total expenditures / expenses	<u>626,846</u>	<u>2,443</u>	<u>21,400</u>	<u>650,689</u>
Program revenues:				
Charges for services	315,981	2,443	-	318,424
Operating grants and contributions	7,802	-	21,400	29,202
Capital grants and contributions	96,536	-	-	96,536
Total program revenues	<u>420,319</u>	<u>2,443</u>	<u>21,400</u>	<u>444,162</u>
Net program expenses	(206,527)	-	-	(206,527)
General revenues:				
Investment earnings	<u>2,310</u>	-	-	<u>2,310</u>
Change in fund balances / net position	(204,217)	-	-	(204,217)
Fund balances/net position, beginning of year	505,256	-	-	505,256
Fund balances/net position, end of year	<u>\$ 301,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,039</u>



Adjustments	Statement of Activities
\$ (95,247)	\$ 555,442
82,162	<u>82,162</u>
	637,604
111,952	430,376
-	29,202
-	<u>96,536</u>
	556,114
	<u>(81,490)</u>
-	<u>2,310</u>
	(79,180)
3,119,827	<u>3,625,083</u>
	<u><u>\$ 3,545,903</u></u>

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STATISTICAL SECTION

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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.

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<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>	
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Statistical Section

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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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net investment in capital assets	\$ 41,018	\$ 40,455	\$ 41,019	\$ 40,463	\$ 40,525	\$ 42,982	\$ 48,399	\$ 53,894	\$ 51,938	\$ 38,123
Restricted	18,876	12,686	16,845	11,339	5,900	3,594	4,031	3,540	3,075	2,635
Unrestricted	20,075	22,584	18,809	16,054	19,453	22,159	14,922	9,333	481	(50,027)
Total Governmental Activities Net Position	\$ 79,969	\$ 75,725	\$ 76,673	\$ 67,856	\$ 65,878	\$ 68,735	\$ 67,352	\$ 66,767	\$ 55,494	\$ (9,269)
Business-type Activities										
Net investment in capital assets	\$ 91,214	\$ 91,214	\$ 97,018	\$ 117,230	\$ 105,750	\$ 101,923	\$ 100,796	\$ 98,852	\$ 96,621	\$ 94,764
Restricted	2,594	2,021	3,783	4,119	2,898	-	-	-	-	-
Unrestricted	18,720	21,087	25,696	13,846	22,415	25,546	26,164	22,839	26,893	15,782
Total Business-type Activities Net Position	\$ 112,528	\$ 114,322	\$ 126,497	\$ 135,195	\$ 131,063	\$ 127,469	\$ 126,960	\$ 121,691	\$ 123,514	\$ 110,546
Primary Government										
Net investment in capital assets	\$ 132,232	\$ 138,535	\$ 138,037	\$ 157,693	\$ 146,275	\$ 144,905	\$ 149,195	\$ 152,746	\$ 148,559	\$ 132,887
Restricted	21,470	14,707	20,628	15,458	8,798	3,594	4,031	3,540	3,075	2,635
Unrestricted	38,795	43,671	44,505	29,900	41,868	47,705	41,086	32,172	27,374	(34,245)
Total Primary Government Net Position	\$ 192,497	\$ 196,913	\$ 203,170	\$ 203,051	\$ 196,941	\$ 196,204	\$ 194,312	\$ 188,458	\$ 179,008	\$ 101,277

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 2006 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.

GASB Statement No. 68 was implemented for the fiscal year ended September 31, 2015. This resulted in presentation of the County's net pension liability on the statement of net position. Prior years were not restated.

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General county government	\$ 20,971	\$ 27,216	\$ 28,034	\$ 30,784	\$ 16,706	\$ 16,871	\$ 15,746	\$ 17,148	\$ 20,492	\$ 30,567
Judicial	8,173	8,333	8,437	8,531	8,649	8,443	8,299	8,390	9,042	8,517
Public safety	13,219	13,442	13,428	13,473	13,359	13,759	15,180	18,348	17,491	16,461
Health	109,598	113,300	108,059	113,687	102,097	105,761	104,068	106,364	83,550	78,245
Welfare	9,178	10,210	12,329	14,015	14,248	11,582	9,353	8,175	7,746	6,392
Legislative, cultural and recreation	2,983	2,199	2,661	2,774	1,849	3,249	3,980	1,697	1,631	1,581
Debt service expenses	1,242	1,007	875	736	692	721	684	1,133	2,904	3,096
Total governmental activities expense	165,364	175,707	173,823	184,000	157,600	160,386	157,310	161,255	142,856	144,859
Business-type activities:										
Brookhaven	-	-	-	-	15,333	17,253	15,441	15,155	13,113	13,776
Local government public works financing	-	-	-	-	1,097	1,465	1,370	1,321	1,285	1,252
Solid Waste	3,526	3,600	1,325	3,757	4,319	3,428	2,308	2,737	2,653	6,042
Airport Operations	2,474	2,424	2,493	2,530	2,494	2,822	2,569	3,039	2,874	2,803
Regional Water System	693	2,381	3,169	4,554	3,133	3,036	2,961	3,166	3,135	3,515
Muskegon Area Transit System	3,384	3,294	3,288	3,314	4,034	4,156	4,260	4,809	4,976	5,566
Wastewater Management System	15,023	14,608	16,531	17,162	15,097	17,373	16,442	16,638	17,326	16,514
Other proprietary funds	2,019	659	988	1,248	1,435	904	2,355	901	835	1,099
Total business-type activities expenses	27,119	26,966	27,794	32,565	46,942	50,437	47,706	47,766	46,197	50,567
Total primary government expenses	\$ 192,483	\$ 202,673	\$ 201,617	\$ 216,565	\$ 204,542	\$ 210,823	\$ 205,016	\$ 209,021	\$ 189,053	\$ 195,426
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 6,086	\$ 6,432	\$ 5,408	\$ 5,308	\$ 5,347	\$ 5,293	\$ 4,722	\$ 5,577	\$ 5,390	\$ 6,061
Judicial	2,949	3,277	2,996	2,716	2,596	3,714	2,604	2,886	2,898	2,750
Public safety	730	1,046	903	797	534	877	858	1,606	1,749	965
Health	72,247	76,698	84,614	83,648	72,700	77,925	74,810	77,094	57,142	55,576
Other activities	1,408	1,656	1,134	1,348	1,265	1,103	2,456	1,170	1,188	1,263
Operating grants and contributions	33,518	35,229	34,958	34,476	37,929	35,764	31,528	29,703	26,797	26,538
Capital grants and contributions	-	-	-	-	-	-	383	693	673	940
Total governmental activities program revenues	116,938	124,338	130,013	128,293	120,371	124,676	117,371	118,729	95,837	94,093

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Wastewater	\$ 12,640	\$ 13,832	\$ 15,970	\$ 13,816	\$ 12,043	\$ 13,816	\$ 16,466	\$ 18,247	\$ 18,091	\$ 16,978
Brookhaven	-	-	-	-	14,847	15,513	13,492	14,046	12,446	12,380
Other	7,618	8,700	9,117	12,366	11,898	13,136	11,870	12,206	12,432	12,511
Operating grants and contributions	2,982	5,215	6,111	4,116	1,809	3,622	1,305	2,037	2,102	4,672
Capital grants and contributions	2,323	5,829	734	10,165	1,227	1,065	5,377	3,379	4,622	4,303
Total business-type activities program revenues	25,563	33,576	31,932	40,463	41,824	47,152	48,510	49,915	49,693	50,844
Total primary government program revenues	\$ 149,901	\$ 163,589	\$ 160,225	\$ 160,834	\$ 166,500	\$ 164,523	\$ 165,881	\$ 168,644	\$ 145,530	\$ 144,937
Net (Expense)/Revenue										
Governmental activities	\$ (48,426)	\$ (51,369)	\$ (43,810)	\$ (55,707)	\$ (35,710)	\$ (39,939)	\$ (39,939)	\$ (42,526)	\$ (47,019)	\$ (50,766)
Business-type activities	(1,403)	5,782	(633)	(6,479)	(8,613)	(554)	804	2,149	3,496	277
Total primary government net expense	\$ (49,829)	\$ (45,587)	\$ (44,443)	\$ (62,186)	\$ (44,323)	\$ (40,493)	\$ (39,135)	\$ (40,377)	\$ (43,523)	\$ (50,489)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property/Liquor/Lodging taxes	\$ 35,076	\$ 36,902	\$ 29,559	\$ 28,981	\$ 28,600	\$ 27,914	\$ 26,599	\$ 26,812	\$ 27,717	\$ 28,290
State shared revenue	-	-	-	-	192	3,601	2,728	2,748	2,882	3,595
Investment earnings (loss)	2,158	2,505	1,718	1,027	282	222	256	(742)	1,627	1,204
Other revenue and transfers	29,908	7,718	13,481	16,883	6,954	6,830	8,973	13,162	7,024	4,265
Special item	-	-	-	-	-	-	-	-	(3,504)	-
Total governmental activities	67,142	47,125	44,758	46,891	36,028	38,567	38,556	41,980	35,746	37,354
Business-type activities:										
Investment earnings	1,260	1,564	1,515	783	283	359	349	-	-	-
Other revenue and transfers	348	485	(344)	18	(882)	(668)	(2,835)	(7,219)	(1,673)	(1,599)
Total business-type activities	1,608	2,049	1,171	801	(599)	(309)	(2,486)	(7,219)	(1,673)	(1,599)
Total primary government	\$ 68,750	\$ 49,174	\$ 45,929	\$ 47,692	\$ 35,429	\$ 38,258	\$ 36,070	\$ 34,761	\$ 34,073	\$ 35,755
Change in Net Position										
Governmental activities	\$ 18,716	\$ (4,244)	\$ 948	\$ (8,816)	\$ 318	\$ (1,372)	\$ (1,383)	\$ (546)	\$ (11,273)	\$ (13,412)
Business-type activities	205	7,831	538	(5,678)	(9,212)	(863)	(1,682)	(5,070)	1,823	(1,322)
Total primary government	\$ 18,921	\$ 3,587	\$ 1,486	\$ (14,494)	\$ (8,894)	\$ (2,235)	\$ (3,065)	\$ (5,616)	\$ (9,450)	\$ (14,734)

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 2006 to 2010 have not been retroactively adjusted for these reclassifications.

GASB Statement No. 68 was implemented for the fiscal year ended September 31, 2015. This resulted in presentation of the County's net pension liability on the statement of net position. Prior years were not restated.

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 589	\$ 589	\$ 589	\$ 589	\$ 589	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,511	8,071	8,479	8,592	8,597	-	-	-	-	-
Nonspendable	-	-	-	-	-	2,914	2,738	2,528	3,838	1,577
Restricted	-	-	-	-	-	158	114	45	59	70
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	40	-	-	-
Unassigned	-	-	-	-	-	8,253	7,839	7,217	5,808	7,926
Total general fund	<u>\$ 8,100</u>	<u>\$ 8,660</u>	<u>\$ 9,068</u>	<u>\$ 9,181</u>	<u>\$ 9,186</u>	<u>\$ 11,325</u>	<u>\$ 10,731</u>	<u>\$ 9,790</u>	<u>\$ 9,705</u>	<u>\$ 9,573</u>
All Other Governmental Funds:										
Reserved	\$ 1,317	\$ 1,858	\$ 1,445	\$ 1,405	\$ 1,189	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	12,405	16,036	13,218	9,245	5,761	-	-	-	-	-
Debt Service Funds	1,585	1,801	2,024	2,685	986	-	-	-	-	-
Capital Projects Funds	14,026	7,661	11,113	8,103	5,402	-	-	-	-	-
Permanent Funds	53	51	50	47	47	-	-	-	-	-
Nonspendable	-	-	-	-	-	1,193	1,134	1,072	1,084	1,005
Restricted	-	-	-	-	-	3,846	4,005	3,514	24,706	5,681
Committed	-	-	-	-	-	351	335	279	214	1,690
Assigned	-	-	-	-	-	2,962	1,512	5,210	379	51
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 29,386</u>	<u>\$ 27,407</u>	<u>\$ 27,850</u>	<u>\$ 21,485</u>	<u>\$ 13,385</u>	<u>\$ 8,352</u>	<u>\$ 6,986</u>	<u>\$ 10,075</u>	<u>\$ 26,383</u>	<u>\$ 8,427</u>
Total Fund Balance for Governmental Funds	<u>\$ 37,486</u>	<u>\$ 36,067</u>	<u>\$ 36,918</u>	<u>\$ 30,666</u>	<u>\$ 22,571</u>	<u>\$ 19,677</u>	<u>\$ 17,717</u>	<u>\$ 19,865</u>	<u>\$ 36,088</u>	<u>\$ 18,000</u>

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 35,076	\$ 36,902	\$ 29,559	\$ 28,981	\$ 28,892	\$ 25,242	\$ 27,033	\$ 27,327	\$ 28,295	\$ 28,309
Operating grants and contributions	33,518	35,229	34,958	34,476	35,831	38,465	33,313	31,894	29,187	30,660
Charges for services	83,420	87,132	88,447	92,835	95,624	88,627	84,981	87,758	67,555	65,530
Other	8,627	8,734	8,302	12,646	8,947	9,441	7,248	7,040	6,653	3,898
Total revenues	160,641	167,997	161,266	168,938	169,294	161,775	152,575	154,019	131,690	128,397
Expenditures										
General county government	17,786	20,574	18,627	18,511	17,491	17,487	15,155	16,267	17,271	20,276
Judicial	8,136	8,294	8,410	8,503	8,636	8,578	8,075	7,938	8,287	8,384
Public safety	13,016	13,243	13,242	13,281	13,323	13,620	12,652	14,800	15,079	14,878
Health	109,301	112,990	107,987	113,626	114,349	105,454	102,830	105,231	81,715	76,579
Welfare	9,070	10,103	12,224	13,921	14,246	11,598	9,177	8,101	7,349	6,692
Other	2,598	1,987	2,453	2,569	2,142	2,941	4,063	1,251	1,296	1,285
Capital outlay	1,132	1,706	1,422	5,876	2,753	1,488	2,079	3,306	21,817	16,893
Debt service:										
Principal	6,460	1,540	1,715	11,475	4,160	1,470	1,375	1,690	1,745	1,800
Interest	1,242	864	873	736	691	739	669	625	1,490	2,386
Other	162	143	2	1	-	-	-	-	-	-
Total expenditures	168,903	171,444	166,955	188,499	177,791	163,375	156,075	159,209	156,049	149,173
Excess of revenues over (under) expenditures	(8,262)	(3,447)	(5,689)	(19,561)	(8,497)	(1,600)	(3,500)	(5,190)	(24,359)	(20,776)
Other Financing Sources (Uses)										
Proceeds from borrowing	8,200	995	6,000	13,875	4,315	-	-	-	38,870	981
Proceeds from refunding	12,380	-	-	-	-	4,780	-	-	-	-
Payments to escrow agents	-	-	-	-	(4,356)	(4,638)	-	-	-	-
Transfers in	15,506	17,066	16,136	17,594	16,388	13,774	13,092	17,640	15,374	10,713
Transfers out	(15,511)	(17,494)	(15,602)	(18,187)	(15,967)	(14,415)	(11,567)	(10,302)	(13,701)	(9,174)
Sale of capital assets	434	1,460	7	26	23	7	15	-	39	168
Total other financing sources (uses)	21,009	2,027	6,541	13,308	403	(492)	1,540	7,338	40,582	2,688
Net change in fund balances	\$ 12,747	\$ (1,420)	\$ 852	\$ (6,253)	\$ (8,094)	\$ (2,092)	\$ (1,960)	\$ 2,148	\$ 16,223	\$ (18,088)
Debt service as a percentage of noncapital expenditures	4.72%	1.51%	1.57%	6.73%	2.98%	1.36%	1.33%	1.48%	3.13%	3.15%

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
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
2015	25,674	1,153	1,463	28,290
Change 2006-2015	-24.4%	36.9%	81.7%	-20.5%

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule C-2

Assessed and Taxable Value of Taxable Property

Last Ten Fiscal Years

(accrual basis of accounting)

(in millions of dollars)

Fiscal Year	Assessed Value			Taxable Value			Total Direct Tax Rate per \$1,000	Percentage of Taxable to Assessed Value
	Real Property	Personal Property	Total Assessed	Real Property	Personal Property	Total Taxable		
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
2015	4,382	484	4,866	3,867	484	4,351	6.64	89.42

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	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	\$ 117,093	1	2.69 %	\$ 122,697	1	2.90 %
Alcoa Howmet	51,558	2	1.18	44,701	2	1.05
DTE Energy	34,429	3	0.79	26,377	5	0.62
Diversified Machine Montague Inc	23,058	4	0.53	—		—
Bayer CropScience	22,027	5	0.51	—		—
L3 Communications Corp	17,937	6	0.41	—		—
Sun Chemical of Michigan LLC	15,826	7	0.36	25,453	6	0.60
THF Fruitport Development LP	14,820	8	0.34	16,057	8	0.38
Meijer Inc	14,444	9	0.33	16,917	7	0.40
Acutex Div of Hilite Industries Inc.	13,647	10	0.31			
Sappi Paper Products	—		—	41,572	3	0.98
Hayes-Lemmerz International	—		—	41,040	4	0.97
Johnson Technology Inc	—		—	13,616	9	0.32
The Lakes Mall LLC	—		—	12,467	10	0.29
Total	<u>\$ 324,839</u>		<u>7.45 %</u>	<u>\$ 360,897</u>		<u>8.51 %</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	
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	0.26	6.66	NLP	—	—	NLP	—	—	6.70
2015	6.40	0.24	6.64	NLP	—	—	NLP	—	—	6.64

Source: Equalization Department

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

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

⁽³⁾ 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
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	24,931,584	23,448,461	94.05	1,483,123	24,931,584	100.0
2011	24,132,584	22,734,021	94.21	1,398,563	24,132,584	100.0
2012	24,477,289	17,350,129	94.86	N/A	N/A	N/A
2013	23,354,910	22,154,078	94.57	N/A	N/A	N/A
2014	23,147,059	21,890,440	95.21	N/A	N/A	N/A
2015	23,258,806	22,121,481	95.21	N/A	N/A	N/A

Source: Muskegon County Treasurer's Office

N/A = Information not available

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule D-1

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds (2)	Other Debt	Building Authority Bonds (3)	Revenue Bonds	General Obligation Bonds	Local Govt Public Works Bonds	Delinquent Tax Notes			
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
2015	54,847	428	8,685	70,206	\$ 3,892	26,078	16,419	180,555	3.19	1,047.64

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

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

(2) Includes Building Authority unlimited tax bonds

(3) Includes Building Authority limited tax bonds

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Building Authority Bonds	Total		
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	366.31
2015	54,847	8,685	63,532	1.46	368.63

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.

Direct and Overlapping Governmental Activities Debt
As of September 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping debt:			
School Districts (K-12)	\$ 613,906,377	63.089%	\$ 387,309,539
Cities, Villages, and Townships	75,471,561	100.000%	75,471,561
Muskegon Community College	19,905,000	100.000%	19,905,000
White Lake Community Library	570,000	100.000%	570,000
Ottawa Area Intermediate School District	4,760,000	1.732%	82,423
Subtotal, overlapping debt			<u>483,338,523</u>
County direct debt, governmental activities			<u>63,698,226</u>
Total direct and overlapping debt			<u><u>\$ 547,036,749</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 2015

Assessed value (000s)	\$4,866,423
Debt limit percentage	10%
Debt limit (10% of SEV)	<u>\$ 486,642</u>
Debt applicable to limit:	
General obligation bonds (1)	58,739
Other debt	428
Building authority bonds (2)	8,685
Revenue bonds	70,206
Local Govt Public Works Finance	26,078
Delinquent tax notes	<u>16,419</u>
Total net debt applicable to limit	<u>180,555</u>
Legal debt margin	<u><u>\$ 306,087</u></u>

		Fiscal Year									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	(a)	\$ 529,516	\$ 554,383	\$ 566,879	\$ 548,943	\$ 522,120	\$ 494,300	\$ 474,649	\$ 461,026	\$ 470,692	\$ 486,642
Total net debt applicable to limit	(b)	<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>	<u>180,555</u>
Legal debt margin available	(a-b)	<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>	<u><u>\$ 306,087</u></u>
Total net debt applicable to limit as a percentage of debt limit	(b/a)	15.45%	18.03%	18.49%	24.55%	26.91%	31.61%	31.96%	31.17%	38.54%	37.10%
County net debt limit as a percentage of total State Equalized Value (1)		1.55%	1.80%	1.85%	2.46%	2.69%	3.16%	3.20%	3.12%	3.85%	3.71%

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	Pledged Revenues - Wastewater Revenue Bonds						Admin + Operations & Maint Exp	"Net Revenues"	Debt Service		Coverage
	Sewer Charges	Farm Sales	Other Operating	Interest Earnings	Operating Subsidies	"Total Revenues"			Principal	Interest	
						(1)	(2)	(3)			
2006	\$ 11,221	\$ 1,419	\$ 138	\$ 454	\$ 14	\$ 13,246	\$ 9,960	\$ 3,286	\$ 2,300	\$ 997	100 %
2007	12,075	1,756	-	546	683	15,060	9,380	5,680	2,420	1,173	158
2008	13,832	2,138	-	532	276	16,778	11,032	5,746	2,545	1,260	151
2009	13,816	1,854	276	184	55	16,185	11,551	4,634	2,315	1,293	128
2010	10,221	1,822	2	59	132	12,236	7,765	4,471	3,675	1,822	81
2011	11,048	2,768	96	83	-	13,995	9,672	4,323	2,959	1,408	99
2012	13,524	2,942	33	85	926	17,510	8,868	8,642	3,825	1,991	149
2013	14,854	3,348	45	77	152	18,476	8,695	9,781	3,840	1,585	180
2014	15,713	2,284	94	132	56	18,279	8,501	9,778	3,880	1,509	181
2015	14,550	2,288	140	88	65	17,131	8,793	8,338	3,925	1,542	153

(1) "Revenues" is defined by Section 3 of Act 94 of 1933 as "the income derived from the rates charged for the services, facilities, and commodities furnished by a public improvement. Revenues include, to the extent provided in the authorizing ordinance, earnings on investment of funds of the public improvement and other revenues derived from or pledged to operation of the public improvement."

(2) Does not include depreciation expense.

(3) Per Section 3 of Act 94 of 1933, "'Net Revenues' means the revenues of a public improvement remaining after deducting the reasonable expenses of administration, operation, and maintenance of the public improvement."

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule E-1

Principal Employers

Current Year and Nine Years Ago

Employer	2015			2006		
	Employees (1)	Rank	Percentage of Total County Employment (2)	Employees (3)	Rank	Percentage of Total County Employment (2)
Mercy Health Partners	4,114	1	5.0 %	3,676 (4)	2/3	4.2 %
Alcoa Howmet	2,200	2	2.7	2,427	1	2.8
County of Muskegon	1,100	3	1.3	1,150	5	1.3
ADAC Automotive	970	4	1.2	—		—
Diversified Machine	760	5	0.9	—		—
Hines Corporation Companies	690	6	0.8	—		—
Port City Group	667	7	0.8	—		—
GE Aviation	660	8	0.8	—		—
Muskegon Public Schools	565	9	0.7	1,110	6	1.3
Baker College	476	10	0.6	—		—
Meijer	—		—	1,300	4	1.5
Hayes Lemmerz International	—		—	558	7	0.7
L3 Communications	—		—	550	8	0.6
ADAC Plastics	—		—	481	9	0.6
Johnson Technology Inc	—		—	476	10	0.6
Total	12,202		14.9 %	11,728		13.6 %

(1) Source: Muskegon Area First

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

(3) Source: Muskegon County 2006 Comprehensive Annual Financial Report

(4) In 2006 the second largest employer was Mercy General Health Partners with 2,108 employees and the 3rd largest was Hackley Hospital with 1568. 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)
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
2014	172,344	5,662,490	32,856	39.0	27,905	7.4

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Legislative										
Board of Commissioners	11	11	11	11	11	11	11	11	9	9
General Government										
Administration	9	9	9	8	9	4	6	7	8	9
Corporate Counsel	-	-	-	-	-	-	-	-	-	-
County Clerk/Circuit Court Records	14	15	15	15	15	14	14	14	14	17
Prosecutor's Office	35	35	34	33	32	31	32	27	27	28
Treasurer's Office	10	10	10	10	10	9	9	9	9	10
Equalization	22	22	25	24	24	23	20	20	19	21
Register of Deeds	9	9	9	9	9	8	8	8	9	9
Drain Commissioner	5	5	5	4	4	4	6	11	11	11
Accounting/Budget	10	10	9	9	9	10	7	8	9	9
Human Resources	5	5	5	6	6	3	3	3	2	3
Purchasing	4	4	4	3	3	3	3	2	-	-
Office Services	5	3	3	3	3	3	2	2	2	2
Information Systems	8	8	8	8	8	8	7	5	5	5
Risk Management	8	8	8	9	9	8	8	10	9	10
Facilities Management	14	16	18	16	16	15	15	13	13	13
Judicial										
Circuit Court	23	24	22	22	22	22	23	23	24	23
District Court	63	63	63	63	64	65	64	63	63	65
Family Court	82	80	78	80	81	69	66	66	69	77
Probate Court	7	7	7	7	7	7	7	7	7	7
Public Defender	-	-	-	-	-	-	-	-	16	16
Public safety										
Sheriff	135	137	135	134	135	134	125	122	119	122
Animal Licensing	-	-	-	-	-	-	-	4	4	4
Courtroom Security	10	8	9	8	8	8	8	9	9	9
Community Corrections	8	5	8	8	8	5	6	4	4	4
Emergency Services	3	2	2	2	2	2	2	1	2	2

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)
Schedule F-1

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Health										
Public Health	85	85	86	87	87	81	83	72	75	65
Mental Health	327	329	333	341	346	342	350	370	402	400
Brookhaven Medical Care	239	242	274	270	268	269	269	270	207	170
Water system	2	2	2	2	2	3	3	3	3	3
Wastewater	59	57	57	57	57	54	52	54	55	53
Solid Waste	14	14	13	14	13	14	14	15	15	15
Welfare										
Child Haven	16	16	16	16	16	16	16	16	16	16
Juvenile Detention Center	27	27	27	27	27	29	36	37	37	37
Workforce Development	22	23	23	23	24	12	14	14	70	65
Cultural										
MSU Cooperative Extension	1	1	1	1	1	1	1	1	1	1
District Library	27	39	-	-	-	-	-	-	-	-
Parks and Recreation										
County Parks	22	22	22	22	22	22	22	22	22	23
Convention/Visitor's Bureau	7	7	7	8	8	6	6	6	7	8
Airport	14	13	13	12	13	12	13	12	12	11
Transit	47	46	46	46	46	54	55	58	65	73
Total	1,409	1,419	1,417	1,418	1,425	1,382	1,386	1,399	1,450	1,425

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety Police										
Bookings	10,343	11,083	10,475	9,567	8,743	8,436	8,654	8,149	7,981	7,889
Traffic Stops	2,447	2,836	2,025	2,135	1,964	2,147	3,160	3,512	2,543	2,677
Verbal Warnings	1,100	1,082	1,421	1,747	2,130	2,419	2,788	2,823	1,874	1,997
Citations	2,039	2,460	2,082	1,393	1,721	1,377	1,299	1,693	1,336	1,069
Public Safety-Corrections										
Average Daily Jail Population	414	409	403	401	403	401	407	405	403	407
Avg Population as Pct of Capacity	112%	111%	109%	108%	109%	108%	110%	109%	109%	110%
Sanitation										
Refuse collected (tons)	126,994	125,775	147,484	104,984	128,850	137,467	102,729	109,580	115,089	142,467
Recyclables collected (tons)	39	22	16	18	79	65	63	44	76	101
Water										
New connections	106	152	91	70	194	61	60	48	46	57
Average daily consumption (thousands of gallons)	406	680	560	1,108	520	1,195	1,216	1,159	1,112	1,122
Wastewater										
Average daily sewer treatment (million gallons)	20	20	20	16	13	12	12	12	12	12
District Court										
Cases filed	45,275	48,304	47,631	42,527	39,993	34,796	36,868	36,656	37,588	36,304
Cases disposed	45,036	48,431	47,584	45,331	40,937	39,045	40,789	39,152	38,399	42,049
Cases pending	6,607	6,450	7,036	4,571	13,915	4,609	5,210	4,717	4,532	6,147
Airport										
Total landings / take-offs	56,743	53,852	62,538	58,137	47,373	37,017	34,599	31,383	32,675	31,518
Passengers	68,811	63,651	63,957	35,119	27,362	27,711	37,724	36,634	35,641	36,484
Transit										
Total Vehicle Miles	576,018	569,060	547,048	534,484	595,223	695,211	790,430	784,796	786,389	919,108
Total Revenue Miles	553,740	554,256	513,873	530,039	595,217	676,887	713,705	707,842	731,656	849,739
Total Passengers	493,631	529,377	611,162	617,828	641,416	739,283	719,908	731,633	708,461	652,037

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety-Sheriff										
Patrol Units	25	24	24	25	25	30	27	29	29	29
Public Safety-Corrections										
Jail Capacity	370	370	370	370	370	370	370	370	370	558
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	278	278	278	278	278	278	278	278	278
Maximum Daily Treatment Capacity (millions of gallons)	43	42	42	42	42	42	42	42	42	42
Airport										
Capacity (thousand of passengers)	129	118	91	66	63	70	73	73	73	71
Transit										
Number of Buses	18	22	22	17	17	21	24	37	37	37
Solid Waste										
Total Capacity (thousand cubic yards)	3,100	3,778	3,778	3,778	3,778	3,778	3,778	3,778	3,819	3,819
Remaining Capacity (thousand cubic yards)	2,214	2,099	1,952	1,816	1,695	1,596	1,517	1,388	1,231	1,114
Remaining Capacity (percent of total)	71.4%	55.6%	51.7%	48.1%	44.9%	42.2%	40.2%	36.7%	32.2%	29.2%

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, 2015

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant No./ Authorization Number	Program Award Amount	Current Year Expenditures				Prior Year's Expended	Award Amount Remaining
				Total	Federal	State	Local		
U.S. Department of Transportation									
Capital assistance - section 5307	20.507	MI-90-X670	\$ 3,409,841	\$ 1,930,091	\$ 1,930,091	\$ -	\$ -	\$ 1,044,927	\$ 434,823
Capital assistance - section 5307	20.507	MI-90-X698	1,136,441	355,877	355,877	-	-	-	780,564
Capital grant - section 5309 - capital assistance	20.500	MI-03-0228	485,888	132,857	132,857	-	-	347,973	5,058
Capital grant - section 5309 - facility development	20.500	MI-04-0069	451,440	234,866	234,866	-	-	69,473	147,101
Capital grant - section 5309 - facility development	20.500	MI-04-0026	1,216,714	1,216,714	1,216,714	-	-	-	-
Capital grant - CMAQ capital assistance	20.507	MI-95-X094	1,035,379	263,721	263,721	-	-	40,746	730,912
Passed through Michigan Department of Transportation:									
FTA/MDOT Section 5339 Terminal equipment	20.526	12-0138/P008	158,961	129,232	129,232	-	-	28,789	940
FTA/MDOT Section 5317 New Freedom (bus shelters)	20.521	12-0138/P010	80,000	20,027	20,027	-	-	59,973	-
Section 5339 Bus and Facilities Formula	20.526	12-0138/P012	161,004	161,004	161,004	-	-	-	-
Section 5310 Enhanced Mobility	20.513	12-0138/P013	80,000	301	301	-	-	-	79,699
Section 5317 New Freedom Mobility Mgt	20.521	12-0138/P014	110,000	110,000	110,000	-	-	-	-
Section 5339 Bus and Facilities Formula	20.526	12-0138/P018	161,009	16,980	16,980	-	-	-	144,029
Total U.S. Department of Transportation				4,571,670	4,571,670	-	-	1,591,881	2,323,126
Michigan Department of Transportation									
Operating Assistance - formula funding	N/A	FY15	954,693	954,693	-	954,693	-	-	-
Bus Station Engineering & Design	N/A	07-0264/Z2	121,472	33,214	-	33,214	-	86,993	1,265
Section 5309 Match	N/A	07-0264/Z4	304,179	304,179	-	304,179	-	-	-
Project Administration	N/A	07-0264/Z22	112,860	58,717	-	58,717	-	17,368	36,775
Preventative maintenance	N/A	12-0138/P007	322,000	146,735	-	146,735	-	102,915	72,350
Terminal equipment	N/A	12-0138/P008	39,740	32,308	-	32,308	-	7,197	235
CMAQ Marketing	N/A	12-0138/P009	168,845	35,931	-	35,931	-	10,186	122,728
New Freedom (bus shelters)	N/A	12-0138/P010	20,000	5,006	-	5,006	-	14,994	-
Specialized services	N/A	12-0138/P011	65,499	16,380	-	16,380	-	49,119	-
Section 5339 Bus and Facilities Formula Match	N/A	12-0138/P012	40,251	40,251	-	40,251	-	-	-
Section 5310 Enhanced Mobility Match	N/A	12-0138/P013	20,000	75	-	75	-	-	19,925
Section 5317 New Freedom Mobility Mgt Match	N/A	12-0138/P014	27,500	27,500	-	27,500	-	-	-
Specialized Services	N/A	12-0138/P015	65,499	49,119	-	49,119	-	-	16,380
Section 5339 Bus and Facilities Formula Match	N/A	12-0138/P018	40,252	4,245	-	4,245	-	-	36,007
Section 5307 Match	N/A	12-0138/P019	100,000	88,970	-	88,970	-	-	11,030
Total Michigan Department of Transportation				1,797,323	-	1,797,323	-	288,772	316,695
Total Expenditures of Federal and State Awards				\$ 6,368,993	\$ 4,571,670	\$ 1,797,323	\$ -	\$ 1,880,653	\$ 2,639,821

COUNTY OF MUSKEGON, MICHIGAN

(Unaudited)

Muskegon Area Transit System Fund

Schedule 4E

Urban Regular Service Expense Report

For the Year Ended September 30, 2015

	Operations	Maintenance	General Administration	Total System
Operating expenses				
Labor				
Salaries and wages - operators	\$ 1,557,528	\$ -	\$ 33,552	\$ 1,591,080
Salaries and wages - other	-	175,800	338,798	514,598
Fringe benefits	489,346	57,162	96,853	643,361
Other postemployment benefits	164,735	24,299	26,747	215,781
Pension - defined benefit	189,246	26,183	37,262	252,691
Pension - defined contribution	6,770	736	2,769	10,275
Services				
Advertising	37,500	-	31,451	68,951
Audit	-	-	6,694	6,694
Other services	-	4,779	20,955	25,734
Materials and supplies				
Fuel	318,937	-	-	318,937
Tires and tubes	38,330	-	-	38,330
Other materials and supplies	20,077	361,556	240,016	621,649
Casualty and liability costs				
Liability insurance	114,533	-	-	114,533
Other insurance	-	-	12,609	12,609
Utilities	-	-	109,778	109,778
Miscellaneous				
Travel, meetings and training	-	-	1,706	1,706
Association dues and subscriptions	-	-	16,992	16,992
Equipment leases	35,334	-	989	36,323
Depreciation	828,071	-	60	828,131
Total operating expenses	3,800,407	650,515	977,231	5,428,153

continued...

Muskegon Area Transit System Fund
 Schedule 4E
 Urban Regular Service Expense Report
 For the Year Ended September 30, 2015

	Operations	Maintenance	General Administration	Total System
Ineligible expenses				
Ineligible depreciation	\$ 828,071	\$ -	\$ -	\$ 828,071
Ineligible portion of association dues	-	-	1,579	1,579
Ineligible other postemployment benefit	95,294	14,012	15,968	125,274
Net pension expense not paid	55,761	7,721	10,783	74,265
Ineligible increase in compensated absences	-	-	70,153	70,153
Ineligible preventive maintenance	66,063	628,782	735	695,580
Administrative expense paid by capital contract	-	-	45,159	45,159
Expenses paid by capital contracts	192,834	-	183,982	376,816
Total ineligible expenses	1,238,023	650,515	328,359	2,216,897
Total eligible expenses				<u>\$ 3,211,256</u>
Reconciliation of operating expenses to the financial statements				
Operating expenses per above				\$ 5,428,153
Specialized services				65,499
Bus shelters				25,706
Local capital items				47,082
Operating expenses per Statement of Revenues, Expenses, and Changes in Fund Net Position				<u>\$ 5,566,440</u>

concluded

Muskegon Area Transit System Fund
 Schedule 4N
 Urban Regular Service Nonfinancial Report
 For the Year Ended September 30, 2015

	Miles	Hours
Linehaul		
First Quarter	152,634	10,774
Second Quarter	163,992	11,323
Third Quarter	161,653	11,376
Fourth Quarter	168,000	11,761
	<u>646,279</u>	<u>45,234</u>
Demand response		
First Quarter	60,377	3,689
Second Quarter	57,951	3,947
Third Quarter	58,251	3,648
Fourth Quarter	57,712	3,439
	<u>234,291</u>	<u>14,723</u>
Total operations	<u><u>880,570</u></u>	<u><u>59,957</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, 2015

	Linehaul	Demand Response	Total
Passenger fares	\$ 418,951	\$ 76,086	\$ 495,037
Concessions	3,546	-	3,546
Advertising	43,093	-	43,093
Greyhound commissions	34,586	-	34,586
Building rental	75	-	75
Other nontransit revenue	27,044	-	27,044
Alternative fuel reimbursement	36,306	-	36,306
Local operating assistance	152,350	-	152,350
	<u>715,951</u>	<u>76,086</u>	<u>792,037</u>
State Cash Grants/Reimbursements			
FY2015 Formula Funding	763,718	190,975	954,693
07-0264-Z002 Bus Station Engineering and Design	33,214	-	33,214
07-0264-Z004 Section 5309 Match	304,179	-	304,179
07-0264-Z022 Bus Station Project Engineering	58,717	-	58,717
12-0138-P007 Preventive Maintenance	146,735	-	146,735
12-0138-P008 Terminal Equipment	32,308	-	32,308
12-0138-P009 CMAQ Marketing	35,931	-	35,931
12-0138-P010 New Freedom Bus Shelter	5,006	-	5,006
12-0138-P011 Specialized Services	16,380	-	16,380
12-0138-P012 Bus and Facility Formula Match	40,251	-	40,251
12-0138-P013 Enhanced Mobility Match	75	-	75
12-0138-P014 New Freedom Mobility Mgt Match	27,500	-	27,500
12-0138-P015 Specialized Services	49,119	-	49,119
12-0138-P018 New Freedom Mobility Mgt Match	4,245	-	4,245
12-0138-P019 Section 5307 Match	88,970	-	88,970
	<u>1,606,348</u>	<u>190,975</u>	<u>1,797,323</u>

continued...

Muskegon Area Transit System Fund
 Schedule 4R
 Urban Regular Service Revenue Report
 For the Year Ended September 30, 2015

	Linehaul	Demand Response	Total
Federal Cash Grants/Reimbursements			
Assistance - Section 5307 - Formula	\$ 1,060,010	\$ 283,139	\$ 1,343,149
CMAQ Marketing - Section 5307	263,721	-	263,721
Facility Lease - Section 5307	28,266	-	28,266
Preventive Maintenance - Section 5307	200,587	-	200,587
Preventive Maintenance - Section 5308	355,877	-	355,877
Other Capital Items - Section 5307	358,089	-	358,089
Other Capital Items - Section 5309	132,857	-	132,857
Other Capital Items - Section 5309	234,866	-	234,866
Other Capital Items - Section 5309	1,216,714	-	1,216,714
Terminal equipment - Section 5339	129,232	-	129,232
Bus and Facilities Formula - Section 5340	161,004	-	161,004
Bus and Facilities Formula - Section 5341	16,980	-	16,980
Enhanced mobility - Section 5310	301	-	301
New Freedom - Mobility Management - Section 5317	110,000	-	110,000
New Freedom (Bus Shelters) - Section 5317	20,027	-	20,027
	<u>4,288,531</u>	<u>283,139</u>	<u>4,571,670</u>
Other revenue			
Interest income	173	-	173
	<u>173</u>	<u>-</u>	<u>173</u>
Total revenues	<u><u>\$ 6,611,003</u></u>	<u><u>\$ 550,200</u></u>	<u><u>\$ 7,161,203</u></u>

concluded

Other nontransit revenue above includes scrap sales of \$280 plus gain on disposal of capital assets of \$26,764.

Muskegon Area Transit System Fund

Schedule 5

Operating Assistance Calculation
For the Year Ended September 30, 2015

State eligible expenses	
Labor	\$ 2,105,678
Fringe benefits	643,361
Other post employment benefits	215,781
Pension	262,966
Advertising and other service	94,685
Audit	6,694
Materials and supplies	978,916
Casualty and liability costs	114,533
Other insurance	12,609
Utilities	109,778
Miscellaneous	18,698
Equipment leases	36,323
Depreciation	<u>828,131</u>
 Total expenses	 <u>5,428,153</u>
 Less ineligible expenses	
Ineligible depreciation	828,071
Ineligible portion of association dues	1,579
Ineligible other post employment expense	125,274
Net pension expense not paid	74,265
Ineligible increase in compensated absences	70,153
Ineligible preventive maintenance	695,580
Administrative expense paid by capital contract	45,159
Other expense paid by capital contract	<u>376,816</u>
 Total ineligible expenses	 <u>2,216,897</u>
 State eligible expenses	 <u>\$ 3,211,256</u>
 State operating assistance - 29.73%	 <u>\$ 954,693</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 and other postemployment amounts adjusted to include only amounts actually paid to MERS or the County-wide OPEB trust fund.

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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, 2015

	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	-	-	-	-
Restatement	-	-	-	-
OPEB obligation, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Unaudited)

2011	2012	2013	2014	2015
\$ 218,387	\$ 163,222	\$ 167,997	\$ 169,920	\$ 215,781
-	-	-	-	-
-	-	-	-	-
<u>218,387</u>	<u>163,222</u>	<u>167,997</u>	<u>169,920</u>	<u>215,781</u>
218,387	163,222	167,997	169,920	90,507
-	-	-	-	-
-	-	-	-	-
<u>218,387</u>	<u>163,222</u>	<u>167,997</u>	<u>169,920</u>	<u>90,507</u>
-	-	-	-	125,274
-	-	-	-	-
-	-	-	-	189,458
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,732</u>

Muskegon Area Transit System Fund

Schedule 7

Pension Cost, Net Pension Liability and Deferred Items

For the Year Ended September 30, 2015

	2014	2015
Annual financial statement pension expense	\$ 172,812	\$ 262,966
Change in net pension liability	-	(285,237)
Change in deferred outflow	-	210,972
Pension payments	<u>\$ 172,812</u>	<u>\$ 188,701</u>
Net pension liability, beginning of year	\$ -	\$ -
Restatement	-	(1,559,753)
Change in net pension liability	-	(285,237)
Net pension liability, end of year	<u>\$ -</u>	<u>\$ (1,844,990)</u>
Beginning deferred outflows	\$ -	\$ -
Change in deferred outflows	-	210,972
Ending deferred outflows	<u>\$ -</u>	<u>\$ 210,972</u>
Change in net pension liability	\$ -	\$ (285,237)
Change in deferred outflow	-	210,972
Net pension expense not paid	<u>\$ -</u>	<u>\$ (74,265)</u>

The initial net pension liability and deferred items was reported as an adjustment to beginning net position in 2015.