

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

County of Muskegon  
Muskegon, Michigan

September 30, 2002

## **BOARD OF COMMISSIONERS KENNETH HULKA, CHAIRMAN**

PAUL T. BAADE  
JAMES J. KOBZA  
DOUGLAS BENNETT  
NANCY G. FRYE

TONY MOULATSIOTIS  
BILL GILL  
LOUIS MCMURRAY  
CLARENCE START

**COUNTY ADMINISTRATOR  
JAMES BORUSHKO**

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# MUSKEGON COUNTY

M I C H I G A N

990 TERRACE STREET, MUSKEGON, MICHIGAN 49442  
(231) 724-6211 • FAX (231) 724-6673

**ADMINISTRATOR/CONTROLLER**

## BOARD OF COMMISSIONERS

Kenneth J. Hulka, Chair  
Bill Gill, Vice Chair  
Paul Baade  
Douglas Bennett  
Nancy G. Frye  
James J. Kobza  
Louis McMurray  
Tony Moulatsiotis  
Clarence Start

To Honorable Kenneth J. Hulka, Chairman, Members Board of Commissioners and Citizens of Muskegon County:

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 of the County of Muskegon for the fiscal year ended September 30, 2002.

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

The County of Muskegon's financial statements have been audited by BDO Seidman, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County of Muskegon for the fiscal year ended

September 30, 2002, 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 statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County of Muskegon's financial statements for the fiscal year ended September 30, 2002, are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County of Muskegon was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County of Muskegon's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Muskegon's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The County of Muskegon, incorporated in 1859, is located in the western part of the state, which is considered to be a strong employment area in the state, and one of the top tourism areas in the state. The County of Muskegon currently occupies a land area of 527 square miles and serves a population of 170,200 (2000 U.S. Census). The County of Muskegon is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County of Muskegon has operated under the elected Board of Commissioners form of government since 1968. Policy-making and legislative authority are vested in a governing Board consisting of the chairman and eight other members. The governing Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring. The administrator is responsible for carrying out the policies and ordinances of the governing county's body, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Board is elected on a partisan basis by district. Board members serve two-year terms.

The County provides a full range of municipal services. These services are either mandated by State statute or authorized by the County Board of Commissioners. These include legislative, judicial, public safety (police), health, mental health, welfare, culture, libraries, recreation, public improvements, highways and streets, wastewater treatment, solid waste disposal, transportation (airport and public transit), and general administrative services, including vital statistics and record keeping for births, deaths and property.

The County adopts its annual budget in accordance with the State Uniform Budgeting and Accounting Act. The general, special revenue, and debt service funds are under formal budgetary control. All departments of the County of Muskegon are required to submit budget requests to the Ways and Means Committee of the Board in June and July. The Administrator then presents a proposed budget to the Board for review. The Board holds public hearings in August and September and a final budget is approved prior to September 30, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Management can do transfers within funds at the departmental level without governing Board approval. Transfer of appropriations between funds, however, require special approval of the Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of Muskegon operates.

**Local Economy.** The County's economic position remained stable. The commercial, industrial and tourism components of the economy continue to grow and expand. Important individual companies in the County, their employment and business are as follows:

Brunswick Indoor Recreation Group - This company has approximately 625 employees and is in the leisure activities market, producing bowling equipment.

Verizon - This company, with regional offices locally, has approximately 450 employees and provides telecommunication services throughout the state of Michigan.

Howmet Turbine Components Corp. (A subsidiary of Alcoa Inc) - This company has over 1,900 employees and is the county's largest employer. Howmet manufactures investment grade castings for the aerospace industry. Howmet is the largest defense contractor in West Michigan.

Kaydon Corp. - This company has approximately 400 employees. They manufacture precision bearings for the defense industry.

Mercy General Health Partners - This company employs approximately 1,650 employees. They provide comprehensive health care services for the community. The Mercy General system also provides regional health care services which include heart and kidney specialty centers.

Knoll - This company is a wholly owned subsidiary of the Knoll Group, with approximately 400 employees. It manufactures quality office furniture, accessories, and modular furniture.

Sappi Fine Paper - This company has approximately 575 employees. They manufacture a high-grade coated paper used in the printing of fine quality products.

Dana Corporation/Perfect Circle Division - This company has approximately 1150 employees and is a Fortune 500 company. They manufacture automotive piston rings and are the world's largest supplier. They maintain their division headquarters in Muskegon.

General Dynamics Corporation - This company has approximately 450 employees and manufactures military engines and is a large prime defense contractor in Muskegon County.

Michigan's Adventure - Muskegon County is home to the only amusement park in Michigan, featuring the state's largest water park and the world's third largest wooden roller coaster. It attracts over 550,000 visitors annually and employs over 1,000 in the summer season.

In addition, other significant employers in Muskegon County include: Hackley Health Systems (1200), Neway AnchorLock International (500, automobile supplier), Adac Plastics (400), Meijer Inc. (600, retail sales), Michigan State Government (2,000, prisons), Sun Chemical (400, paint pigments), and Acemco (250, auto parts).

**Cash management policies and practices.** Per Michigan Statutes Annotated (M.S.A.).843 (1) the Board of Commissioners has authorized the County Treasurer to invest surplus funds belonging to, or under the control of the county, in certificates of deposits, commercial paper, and direct obligations of the United States. The investment limits are 1) no more than 50% in commercial paper, and 2) any investment in commercial paper must have a rating within the three highest classifications of two standard rating agencies.

It is the county's policy to safeguard all investments to the maximum practicable and allowed by law. To this end, third-party safekeeping and collateralization is used where available. If these are not available, close monitoring of the investment's underlying security (usually the issuer) is made and continual evaluation is done as to the issuer's stability in the marketplace.

Idle cash of the County of Muskegon was invested in certificates of deposit, commercial paper, and money market funds in accordance with state law and local policy. The investment program yielded \$3,071,726 in 2002, and \$4,937,772 in 2001. Interest returns on investments in 2002 and 2001 were as follows:

	<u>2002</u>	<u>2001</u>
Treasury Bills	1.54-6.75 %	4.60-6.46 %
Certificates of Deposit	1.72-7.19	4.70-6.00
Commercial Paper	1.67-3.73	4.84-6.00
Money Market	1.50-2.75	3.00-5.50

The average daily investment was \$85.9 million. Treasury bills averaged \$33.9 million. Certificates of deposit averaged \$25.8 million. Commercial paper averaged \$25.8 million, and money market funds averaged \$.4 million. This resulted in an average yield of 3.58 percent.

Investment of idle cash is one of the few means which the county has to increase revenues without increasing taxes or fees. Strong cash management efforts have made the county successful with its cash returns.

**Retirement Obligations.** The County of Muskegon participates in a multiple employer defined benefit pension plan for its employees. Each year an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the County of Muskegon must make to the pension plan to ensure that the plan will be able to fully meet its obligation to retired employees on a timely basis. As a matter of policy, the County of Muskegon fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the County of Muskegon's conservative funding policy, the County of Muskegon has succeeded as of December 31, 2001, in funding 102 percent of the present value of the projected benefits earned by employees.

The County of Muskegon also provides post-retirement health and dental care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 308 retired employees receiving these benefits, which are financed on a pay as-you-go basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits. Additional information on the County of Muskegon's pension arrangement and post-employment benefits can be found in Notes 8 and 12 in the notes to the financial statements.

**Risk Management.** Muskegon County's risk management program accepts the responsibility for recognizing, identifying, and controlling the exposures to loss or injury which are created by the activities of the various county departments. County of Muskegon policy with regard to risk management is to determine whether or not the risk poses a serious exposure to loss and if it does, then the decision is made as whether or not to cover the risk through a program of self-insurance, purchase of commercial insurance, or a combination strategy. The major types of risk with deductible are workers' compensation (\$300,000 deductible per occurrence), general liability (\$250,000 deductible per occurrence) and property damage (\$50,000 deductible per occurrence) with the excess being insured through outside insurance companies. The County is partially self-insured for medical costs with a lifetime maximum exposure of \$1 million per participant. The County's current general liability policy insures for \$25 million. Currently the Risk Management Fund is adequately funded.

### **Awards and Acknowledgments**

In 2002, independent auditors were engaged for the twenty seventh consecutive fiscal year to perform an annual audit of the county's books of account, financial records, and transactions. The opinion of BDO Seidman, LLP, independent certified public accountants, is included in this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in

Financial Reporting to the County of Muskegon for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2001. This was the twenty fourth consecutive year that the county has received this prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized (comprehensive annual/component unit) financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Central Services Department and particularly our accounting staff. I would like to express my gratitude to all members of the department. I would also like to thank you and the members of the Muskegon County Board of Commissioners for your interest and support in planning and conducting the financial operations of the County of Muskegon in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Borushko". The signature is written in black ink and is positioned above the printed name and title.

James Borushko  
Administrator

# 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, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

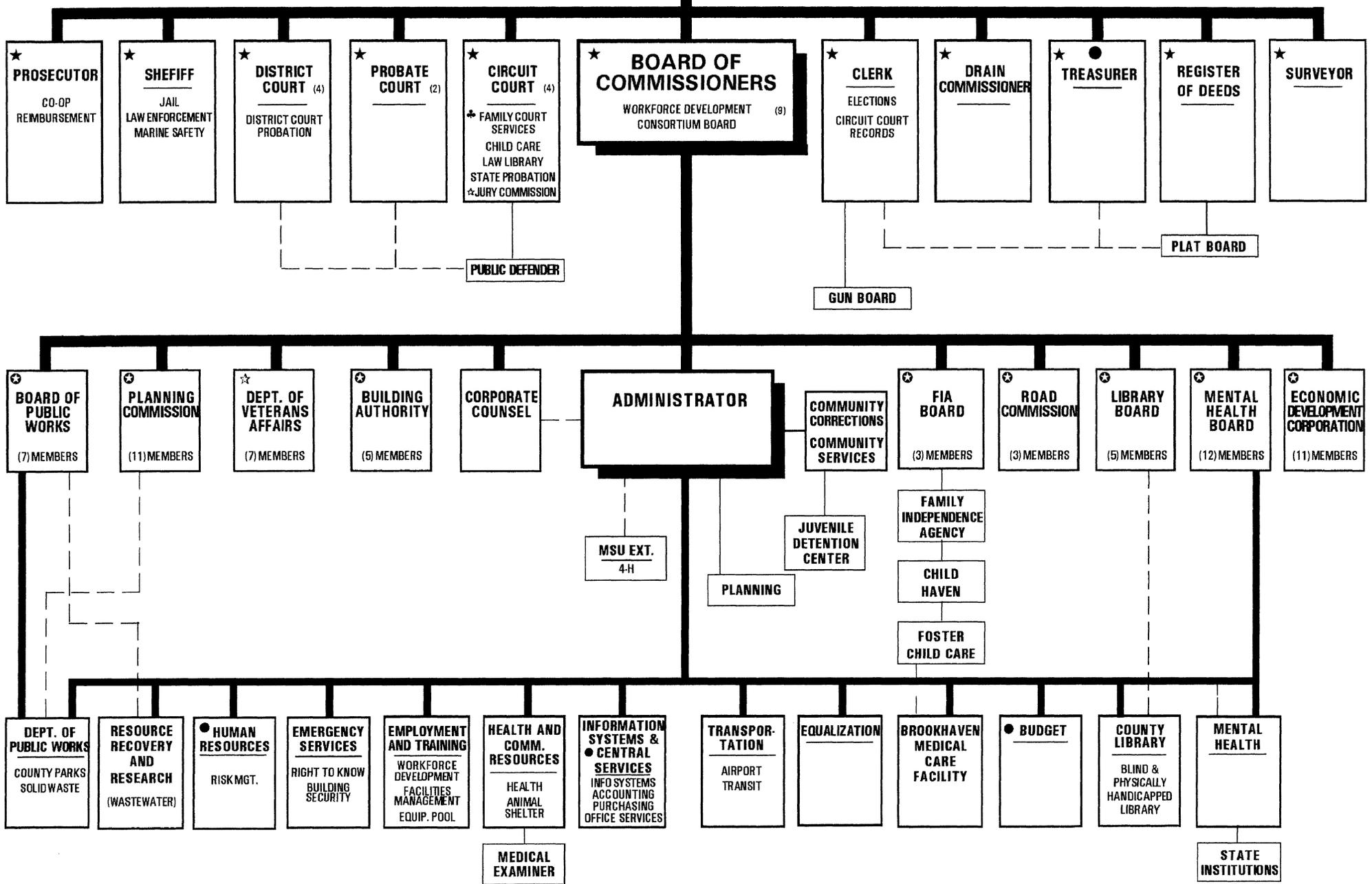


President

Executive Director

# 2002 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)

**County of Muskegon**  
List of Elected Officials  
September 30, 2002

**COMMISSIONERS**

CLARENCE START, DISTRICT 1  
KENNETH J. HULKA, DISTRICT 2  
TONY MOULATSIOTIS, DISTRICT 3  
PAUL BAADE, DISTRICT 4  
BILL GILL, DISTRICT 5

LOUIS A. MCMURRAY, DISTRICT 6  
DOUGLAS BENNETT, DISTRICT 7  
JAMES J. KOBZA, DISTRICT 8  
NANCY G. FRYE, DISTRICT 9

**COUNTY OFFICIALS**

SUSAN R. DORIOT, COUNTY CLERK  
JAN (JOHN) KOENS, COUNTY TREAS.  
MARK F. FAIRCHILD, REG. OF DEEDS  
ROBERT L. CARTER, COUNTY SHERIFF

TONY D. TAGUE, PROSECUTOR  
MARTIN L. HULKA, DRAIN COMMISSIONER  
STEPHEN VALLIER, COUNTY SURVEYOR

**DISTRICT COURT JUDGES**

MICHAEL J. NOLAN  
ANDREW WIERENGO, III

RICHARD J. PASARELA  
FREDRIC A. GRIMM, JR.

**CIRCUIT COURT JUDGES**

JAMES M. GRAVES, JR.  
WILLIAM C. MARIETTI

TIMOTHY G. HICKS  
JOHN C. RUCK

**FAMILY COURT JUDGES**

NEIL G. MULLALLY-PART TIME  
JOHN C. RUCK

WILLIAM C. MARIETTI-PART TIME  
GREGORY PITTMAN

**PROBATE COURT JUDGES**

NEIL G. MULLALLY

GREGORY PITTMAN



**BDO Seidman, LLP**  
Accountants and Consultants

801 West Norton Avenue  
Muskegon, Michigan 49441-4155  
Telephone: (231) 739-9441  
Fax: (231) 733-0031

## **Independent Auditors' Report**

To the Board of Commissioners of the  
County of Muskegon, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Muskegon, Michigan, as of and for the year ended September 30, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Muskegon's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Muskegon County Road Commission, the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Muskegon County Road Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Muskegon, Michigan, as of September 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, budgetary comparison information and schedule of funding progress on pages 15 through 30 and pages 94 through 98 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Muskegon's basic financial statements. The combining funds statements and schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining funds statements and schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical information has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2002, on our consideration of the County of Muskegon's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*BDO Seidman, LLP*

Muskegon, Michigan  
December 13, 2002

## Management's Discussion and Analysis

Management of the County of Muskegon offers readers of these financial statements a narrative overview of the financial condition and activities for the year ended September 30, 2002. Please read this narrative in conjunction with the review of our financial statements, financial statement notes and the transmittal letter.

### Financial Statement Presentation

The financial statements presented herein include all the activities of the County of Muskegon and its component units using the format as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The County of Muskegon's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the financial statements themselves.

### THE COUNTY AS A WHOLE

**Government-wide financial statements.** The "government-wide financial statements" are designed to provide readers with a broad overview of the County of Muskegon's finances, in a manner similar to a private-sector business. These statements are presented on the full accrual basis of accounting which when viewed from the economic resources measurement focus can be used to determine whether the County has improving or deteriorating finances.

The "statement of net assets" presents information on all of the County of Muskegon's assets and liabilities, with the difference between the two being reported as "net assets". Over the years, increases or decreases in net assets may serve as one indicator of the change in the financial condition of the County.

The "statement of activities" presents how the net assets changed during the period just ended. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Example of timing differences are uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the County of Muskegon that are primarily supported by tax and intergovernmental pass through revenues (*governmental activities*) from other functions that were created and intended to recover most or all of their costs through user fees and charges for services (*business-type activities*). The governmental activities include legislative, judicial, general county

government, public safety, health, welfare, culture, recreation, and debt service. The business type activities include solid waste management, wastewater and an international airport.

The government-wide financial statements include not only the County of Muskegon (*the primary government*) but also a legally separate Road Commission. The board of this organization is appointed by the County and there is a potential for liability to the County. The financial information of this component unit is reported separately from the financial information of the primary government itself.

### **Reporting on the County's major funds**

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control and reporting of resources that are segregated for a specific purpose or activity with defined objectives. The County of Muskegon is required by State law to use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Muskegon are 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 the balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating the County's short term financing needs.

Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, informed readers may better be able to understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The County of Muskegon maintains over one hundred fifty individual funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Community Mental Health, Managed Care, Brookhaven, and Water and Sewer Debt. All of these funds are considered major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non major governmental funds is provided in the form of combining statements elsewhere in the report.

The County of Muskegon adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgetary comparisons (original and final) have been provided for the major funds to demonstrate compliance with the budgets as required supplementary information. A comparison of budget to actual expenditures is provided for all non major governmental funds in the combining financial statements - governmental activities by fund type.

**Proprietary funds.** The County of Muskegon maintains two types of 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 fairgrounds, delinquent taxes, solid waste, fly ash disposal, airport, transportation, water and sewer operations. Internal service funds are used to accumulate and allocate costs internally among the County’s various functions. The County uses internal service funds to account for central printing, building maintenance, building and equipment purchases, insurance and risk management. Because these services predominantly benefit governmental rather than business-type activities, 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 Solid Waste, Airport and Wastewater Management, all of which are considered major funds of the County. Conversely, both internal service funds and other enterprise funds are combined into single column presentations in the proprietary fund financial statements. Individual fund data for the non major proprietary funds is provided in the form of combining statements elsewhere in this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County’s own operations. The accounting used for fiduciary funds is like that used for proprietary funds (full accrual).

**Notes to the basic financial statements.** The notes provide additional information that is important 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 provides certain required supplementary information concerning the County’s budgetary information as it relates to the actual expended and certain pension information with the corresponding trend data.

The combining statements referred to earlier in connection with non major governmental funds and internal service funds are presented immediately following the required supplementary information.

### **Government-wide Financial Analysis**

As noted previously, net assets may serve as a useful indicator of the County’s overall financial health. The County of Muskegon’s assets exceed liabilities by \$162,488,719 at the close of Fiscal year 2002.

The largest portion of net assets in the County (71%) are its fixed assets (land, buildings, machinery and equipment), less related debt outstanding used to acquire these assets. The County uses these fixed assets to provide services to Muskegon County residents and therefore, are not available for disposal to fund future projects or operations. Although the County’s investment in fixed assets is reported net of capital debt, it is noted that resources needed to retire this debt must come from future sources of revenue, as the assets themselves can’t be used to liquidate these obligations.

### County of Muskegon Net Assets

Major Categories	Governmental Activities		Business-type Activities		Total	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Cash and Investments	\$30,089,348	\$30,178,028	\$47,951,222	\$39,230,713	\$78,040,570	\$69,408,741
Receivables	26,495,561	22,730,854	10,859,414	10,162,832	37,354,975	32,893,686
Other Current Assets	113,628	4,041,872	1,544,878	1,099,220	1,658,506	5,141,092
Long Term Assets	1,000,000	2,423,019	-	191,509	1,000,000	2,614,528
Fixed Assets	<u>64,938,564</u>	<u>59,751,887</u>	<u>111,871,254</u>	<u>103,604,310</u>	<u>176,809,818</u>	<u>163,356,197</u>
<b>Total Assets</b>	<b><u>122,637,101</u></b>	<b><u>119,125,660</u></b>	<b><u>172,226,768</u></b>	<b><u>154,288,584</u></b>	<b><u>294,863,869</u></b>	<b><u>273,414,244</u></b>
Other Liabilities	31,788,633	33,952,850	13,537,774	29,241,319	45,326,407	63,194,169
Long Term Liabilities	<u>40,399,354</u>	<u>36,043,434</u>	<u>46,649,389</u>	<u>21,847,856</u>	<u>87,048,743</u>	<u>57,891,290</u>
<b>Total Liabilities</b>	<b><u>72,187,987</u></b>	<b><u>69,996,284</u></b>	<b><u>60,187,163</u></b>	<b><u>51,089,175</u></b>	<b><u>132,375,150</u></b>	<b><u>121,085,459</u></b>
Net Assets:						
Investment in fixed assets						
net of related debt	41,673,564	38,029,693	74,190,129	84,256,454	115,863,693	122,286,147
Restricted	10,581,280	4,027,946	8,946,543	-	19,527,823	4,027,946
Unrestricted	<u>(1,805,730)</u>	<u>7,071,737</u>	<u>28,902,933</u>	<u>18,942,955</u>	<u>27,097,203</u>	<u>26,014,692</u>
<b>Total Net Assets</b>	<b><u>\$50,449,114</u></b>	<b><u>\$49,129,376</u></b>	<b><u>\$112,039,605</u></b>	<b><u>\$103,199,409</u></b>	<b><u>\$162,488,719</u></b>	<b><u>\$152,328,785</u></b>

A portion (12%) of the County's net assets have certain restrictions placed on their use. The remaining balance of unrestricted net assets (\$27,097,203) can be used to meet the County's ongoing obligations to its residents and creditors.

A major portion (26%) of the Governmental total assets in the County are in liquid and short term receivables that give us a great ability to meet current obligations of short and long term nature. This ability translates into the freedom to meet changing conditions in the market place as well as changes in the economy of the surrounding area. The strength of our unrestricted net assets shows that we are aware of the ever changing face of government's operations and are prepared to respond to those needs.

**Governmental Activities:**

Governmental activities increased the County's net assets by \$1,319,738. This increase was due to increases in the tax revenue base with new construction and increases in fee revenue.

Other elements in the increase are as follows:

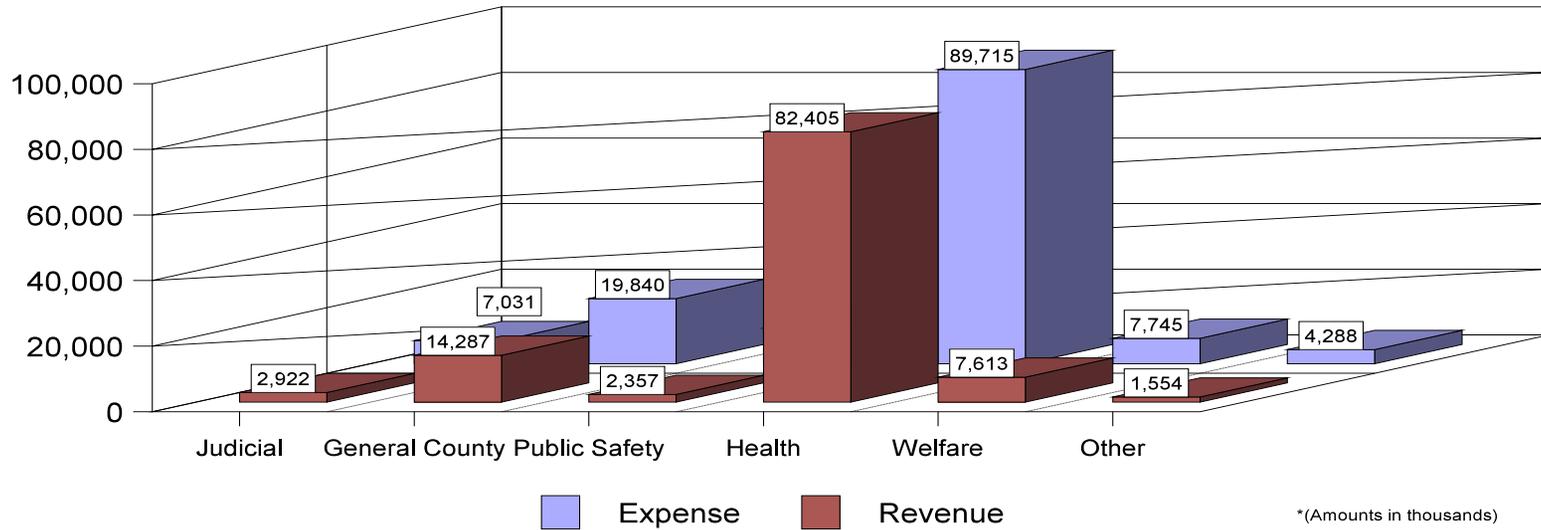
**Muskegon County Changes in Net Assets**

	Governmental Activities 2002	Governmental Activities 2001	Business-type Activities 2002	Business-type Activities 2001	Total 2002	Total 2001
Revenues						
Program Revenues						
Operating Grants and Contributions	\$33,340,106	\$30,573,020	\$2,371,601	\$1,990,751	\$35,711,707	\$32,563,771
Charges for services/Sales	76,309,664	93,164,924	16,926,078	16,832,890	93,235,742	109,997,814
Capital Grants and contributions	1,487,815	1,002,680	8,428,878	3,029,501	9,916,693	4,032,181
General Revenues						
Taxes	22,013,150	20,769,442	-	-	22,013,150	20,769,442
Licenses and Permits	753,192	745,250	-	-	753,192	745,250
Investment Earnings	1,567,050	2,740,339	1,504,676	2,197,433	3,071,726	4,937,772
Rentals	966,596	791,072	-	-	966,596	791,072
Contributions from private sources	180,182	134,065	-	-	180,182	134,065
Gain(loss)on Sale of Assets	(27,413)	1,190,655	-	-	(27,413)	1,190,655
Other	5,513,231	4,613,345	1,013,927	-	6,527,158	4,613,345
Total Revenues	\$142,103,573	\$155,724,792	\$30,245,160	\$24,050,575	\$172,348,733	\$179,775,367

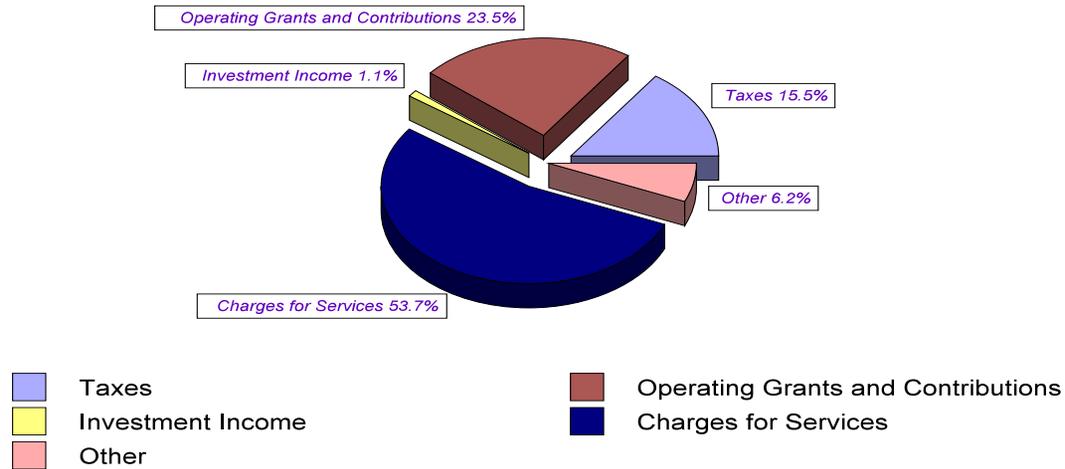
**Muskegon County Changes in Net Assets (continued)**

	Governmental Activities 2002	Governmental Activities 2001	Business-type Activities 2002	Business-type Activities 2001	Total 2002	Total 2000
Expenses						
Legislative	\$323,109	\$329,852	\$ -	\$ -	\$323,109	\$329,852
Judicial	7,030,697	6,386,613	-	-	7,030,697	6,386,613
General County Government	19,840,277	18,436,774	-	-	19,840,277	18,436,774
Public Safety	10,804,338	10,706,617	-	-	10,804,338	10,706,617
Health	89,691,075	105,304,348	-	-	89,691,075	105,304,348
Welfare	7,745,042	7,196,888	-	-	7,745,042	7,196,888
Culture	1,829,362	1,776,155	-	-	1,829,362	1,776,155
Recreation	690,957	720,446	-	-	690,957	720,446
Other	341,299	247,869	-	-	341,299	247,869
Debt Service Interest	1,065,731	921,570	-	-	1,065,731	921,570
Debt Service Other	61,382	91,794	-	-	61,382	91,794
Solid Waste	-	-	1,193,500	1,195,764	1,193,500	1,195,764
Airport	-	-	2,685,590	2,408,145	2,685,590	2,408,145
Wastewater	-	-	13,559,405	14,725,020	13,559,405	14,725,020
Other proprietary funds	-	-	5,327,035	4,153,749	5,327,035	4,153,749
<b>Total Expenses</b>	<b>139,423,269</b>	<b>152,118,926</b>	<b>22,765,530</b>	<b>22,482,678</b>	<b>162,188,799</b>	<b>174,601,604</b>
Increase (decrease) in net assets before transfers	2,680,304	3,605,866	7,479,630	1,567,897	10,159,934	5,173,763
Transfers	<u>(1,360,566)</u>	<u>(965,376)</u>	<u>1,360,566</u>	<u>560,048</u>	<u>0</u>	<u>(405,328)</u>
Increase (decrease) in net assets	1,319,738	2,640,490	8,840,196	2,127,945	10,159,934	4,768,435
Net Assets - October 1, 2001	49,129,376	46,488,886	103,199,409	101,071,464	152,328,785	147,560,350
Net Assets - September 30, 2002	<u>\$50,449,114</u>	<u>\$49,129,376</u>	<u>\$112,039,605</u>	<u>\$103,199,409</u>	<u>\$162,488,719</u>	<u>\$152,328,785</u>

## Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities



- Property taxes increased by \$1,244,000 (6 percent) during the year. This continued increase reflects the continued growth of retail within the County.
- Charges for services decreased 18% resulting from doubling of intergovernmental transfers in the previous year
- Operating Grants and contributions increased by \$2,767,000 (9 percent). This increase reflects the continued dependency of Federal and State programs that target certain populations in the County for health, welfare and job retention.

**Business-type activities.** Business-type activities increased the County of Muskegon’s net assets by \$8,840,196, accounting for 87% of the total growth in the government’s net assets. Capital grants for expansion of the airport, transit system and wastewater system drove the increase by contributing over \$8,000,000 to the increase in assets.

### **Financial analysis of the Government’s Funds**

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

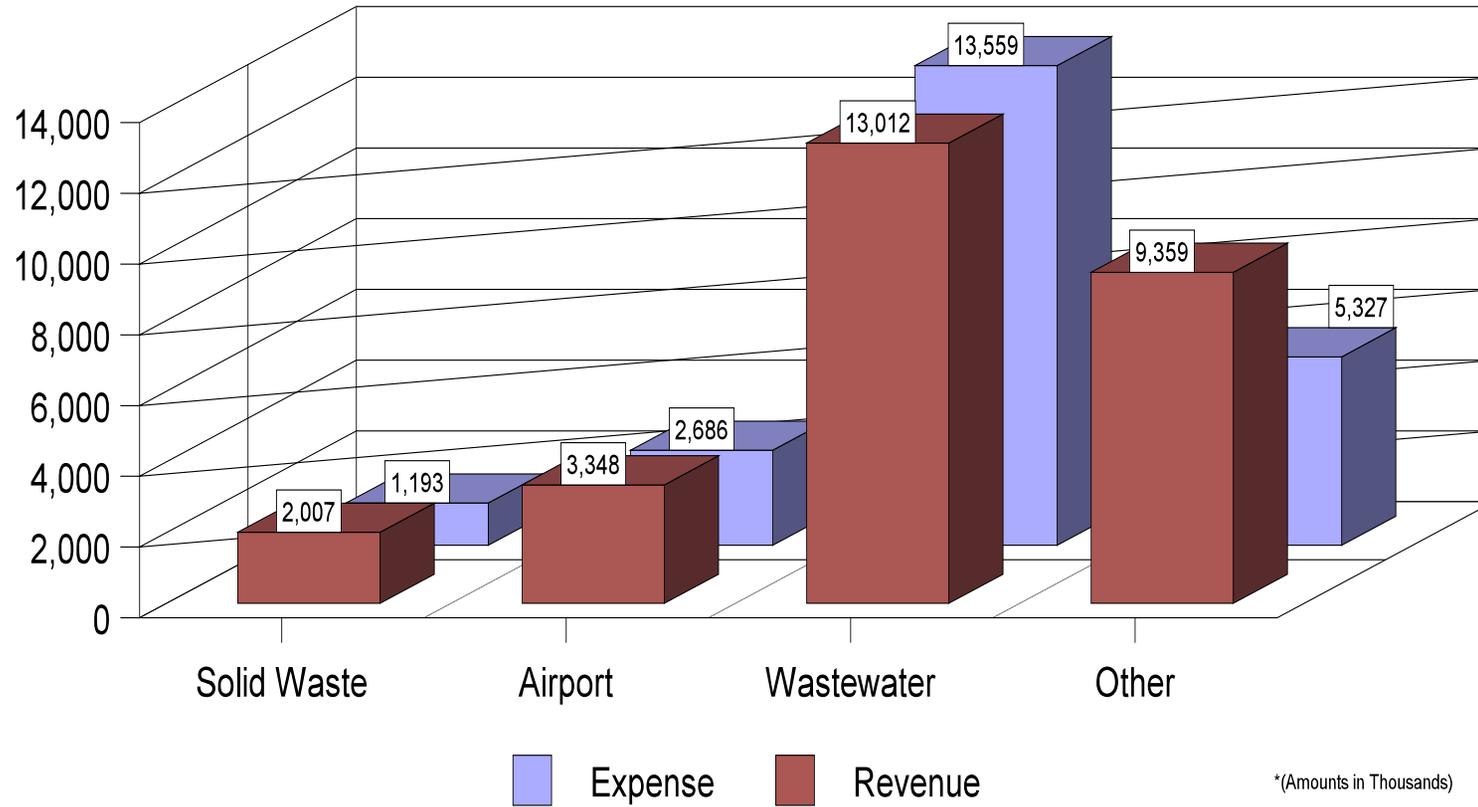
**Governmental funds.** The focus of the County of Muskegon’s governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the County of Muskegon’s financing requirements. In particular, unreserved fund balance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

For the current fiscal year, the County of Muskegon’s governmental funds reported combined ending fund balances of \$19,247,965, an increase of \$1,518,913 in comparison with the previous year. Approximately 38% of the fund balance (\$7,248,067) constitutes unreserved fund balance, which is available for spending at the County’s discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$5,085,662), 2) to pay debt service (\$2,484,678), 3) to cover a potential bad debt from a prior capital project (\$800,000), 4) to hold for future grant expenditures (\$2,943,695), 5) for perpetual care (\$67,245), or for long term advances to other funds (\$618,618).

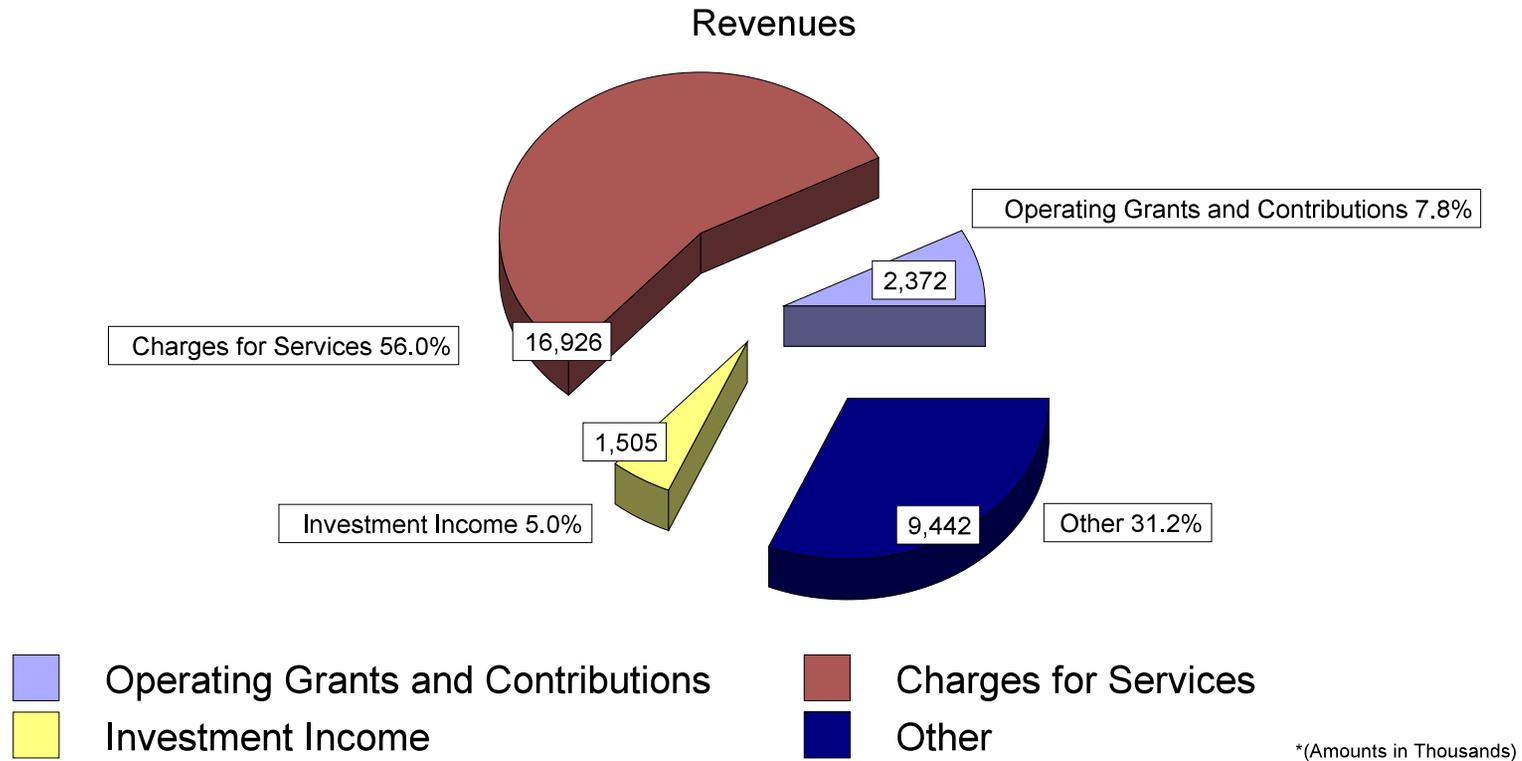
The general fund is the chief operating fund of the County of Muskegon. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,870,850 while total fund balance was \$7,177,620. As one measure of the general fund’s liquidity, it is useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 16% of total general fund expenditures, while total fund balance represents 20% of that same amount. A comparison to prior year percentages show that both unreserved and total fund balance unchanged.

Major revenue items contributed to the \$2,000,000 increase in revenues. Property taxes increased by \$1,200,000, operating grants and charges for services increase \$700,000 each while interest earnings went down \$600,000. Expenses in general county government increase \$1,760,000 to account for the net increase in fund balance of \$240,000.

## Expenses and Program Revenues - Business-Type Activities



## Revenues by source - Business-Type activities



The debt service fund has a total fund balance of \$2,484,678, all of which is reserved for debt service payments. The increase in the debt service fund balance is very small (\$75,350) and reflects the governmental decision to only put amounts into the debt funds sufficient for debt payments currently due and payable within one year. There was one new debt issuance during the year and principal and interest payments for the current year increased by \$244,000.

**Proprietary funds.** The County of Muskegon proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the County Wastewater system were \$15,589,704, with the Airport and the Solid Waste site at \$0. The total growth in net assets for these three funds was \$291,634, \$1,922,867 and \$1,266,828 respectively. Other factors concerning these funds have already been addressed in the discussion of the County of Muskegon's business-type activities.

### **General Fund budgetary expenditure highlights**

The decrease between the original budget and the final amended budget were very small (less than 2%) and is briefly summarized as follows:

- Decreases in judicial cost was a reduction in visiting judges and equipment repair and maintenance
- Decrease in the other category with the transfer of salary increases to their appropriate functions
- Decrease in retirees's benefit charges from 8.43% to 4.76%

Budgeted expenditures decreased by approximately \$445,000. The largest decrease was a reduction in retirees pension costs (\$417,000). Total actual expenses came in under budget and allowed revenues to flow through as an increase in the fund balance.

### **Capital Asset Administration**

**Capital Assets.** The County of Muskegon's investment in capital assets for its governmental and business-type activities as of September 30, 2002 amounts to \$176 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, lagoons, wastewater collection/distribution system, and capitalized interest and engineering. The total increase in the County of Muskegon's capital assets for the current fiscal year was 8%.

Major capital asset additions during the current fiscal year included the following:

- Compressed Natural Gas Fueling Station (\$502,000)
- Acquisition of an industrial park (\$1,725,000)
- Continued runway expansion (\$2,034,000)
- Completion of a new airport service building (\$1,245,000)
- Renovation and completion of our hall of justice (\$2,861,000)
- Heritage landing improvements (\$955,000)

**County of Muskegon's Capital Assets**  
(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2002	2001	2002	2001	2002	2001
Land	\$4,078,102	\$2,676,238	\$11,088,122	\$11,509,557	\$15,166,224	\$14,185,795
Land Improvements	3,805,932	2,978,454	9,560,427	8,017,074	13,366,359	10,995,528
Lagoons	-	-	6,746,456	6,842,778	6,746,456	6,842,778
Buildings & Improvements	51,771,148	49,451,463	16,601,345	11,444,210	68,372,493	60,895,673
Machinery & Equipment	5,283,382	4,645,732	5,562,080	5,372,058	10,845,462	10,017,790
Wastewater collection and distribution system	-	-	42,298,826	44,583,421	42,298,826	44,583,421
Capitalized interest & engineering	-	-	4,251,969	4,520,585	4,251,969	4,520,585
Construction in progress	-	-	15,762,029	11,314,627	15,762,029	11,314,627
<b>Total</b>	<b>\$64,938,564</b>	<b>\$59,751,887</b>	<b>\$111,871,254</b>	<b>\$103,604,310</b>	<b>\$176,809,818</b>	<b>\$163,356,197</b>

Additional information on the County of Muskegon's capital assets can be found in note 6 of the "Notes to the Government Wide Financial Statements" of this report.

**Long-term debt.** At the end of the current fiscal year, the County of Muskegon had total bonded debt outstanding of \$78,585,000. Of this amount, \$23,515,000 comprises debt backed by the full faith and credit of the County; \$32,850,000 in revenue bonds backed by the County and participating municipalities; \$10,720,000 special assessment debt partially guaranteed by local municipalities; and finally, \$11,500,000 in delinquent tax notes backed by the property owners and secured by property tax liens.

The County's credit ratings was upgraded in 1998, 2000 and 2001. The current rating of A+ by Standard and Poors and a Moody's rating of A2 for general obligation debt is indicative of a stronger economy for the County and results in lower bond interest costs.

**County of Muskegon's Outstanding Debt**  
General Obligation and Revenue Bonds

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2002	2001	2002	2001	2002	2001
General Obligation Bonds	\$23,515,000	\$18,110,000	\$3,620,000	\$3,910,000	\$27,135,000	\$22,020,000
Special Assessment Debt with Governmental Commitment	10,720,000	12,105,000			10,720,000	12,105,000
Revenue Bond			29,230,000	14,140,000	29,230,000	14,140,000
Delinquent Tax Notes			11,500,000	13,750,000	11,500,000	13,750,000
Total	<u>\$34,235,000</u>	<u>\$30,215,000</u>	<u>\$44,350,000</u>	<u>\$31,800,000</u>	<u>\$78,585,000</u>	<u>\$62,015,000</u>

The County of Muskegon's total debt increased by \$16,570,000 during the current fiscal year. The increase is attributed to normal debt payoffs of \$15,930,000 and the sale of the current year notes and bonds in the amount of \$32,500,000. The County issues notes each year to fund property taxes that are unpaid by the due date of March 1<sup>st</sup>. The County also issued \$6,500,000 in building authority bonds and \$17,000,000 in revenue bonds.

The change in the ratio of net general obligation bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the County's relative debt position. The 2001 ratio was .42% with the bonded debt per capita at \$95.36. In 2002, the ratio is .36% with a bonded debt per capita of \$91.19. The reduction in both these indicators show a trend that has been occurring since 1996 showing that the County is growing satisfactorily without an increase in corresponding debt load.

Additional information on the County of Muskegon's long-term debt can be found in Note 7 of the notes to the financial statements.

## Economic factors and General Outlook

For the period from October, 1999 through September, 2002, Muskegon County unemployment rates as compared to national rates were as follows:

	<u>Employment Data</u>							
	<u>2002</u> <u>County</u>	<u>2002</u> <u>USA</u>	<u>2001</u> <u>County</u>	<u>2001</u> <u>USA</u>	<u>2000</u> <u>County</u>	<u>2000</u> <u>USA</u>	<u>1999</u> <u>County</u>	<u>1999</u> <u>USA</u>
October	6.5	5.4	4.5	3.9	4.7	4.1	3.9	4.5
November	7.9	5.6	4.3	4.0	4.4	4.1	4.1	4.4
December	7.9	5.8	4.0	4.0	3.8	4.1	3.9	4.3
January	9.3	5.6	5.7	4.2	4.6	4.0	5.1	4.3
February	8.3	5.5	6.3	4.2	3.8	4.1	5.1	4.4
March	8.5	5.7	6.5	4.3	3.9	4.1	4.9	4.2
April	7.8	6.0	5.7	4.5	3.6	3.9	4.6	4.3
May	8.6	5.8	6.6	4.4	4.0	4.1	4.4	4.2
June	10.1	5.9	6.9	4.5	5.0	4.0	5.4	4.3
July	10.5	5.9	7.1	4.5	5.3	4.0	4.4	4.3
August	8.9	5.7	6.0	4.9	4.5	4.1	3.9	4.2
September	<u>8.3</u>	<u>5.6</u>	<u>6.1</u>	<u>4.9</u>	<u>4.7</u>	<u>3.9</u>	<u>4.1</u>	<u>4.2</u>
Average	<u>8.5</u>	<u>5.7</u>	<u>5.8</u>	<u>4.4</u>	<u>4.4</u>	<u>4.0</u>	<u>4.5</u>	<u>4.3</u>

Muskegon County's unemployment rate has increased compared to 1999. This is attributed to weakening of the industrial base in the West Michigan area. Muskegon County's growth and improving image as a good place to live, work, and do business, will continue to stabilize the unemployment rate.

### General

The economic climate in Muskegon and West Michigan remains stable. Unemployment and welfare caseloads continue at a low rate. Several projects and achievements have contributed to the growth and quality of living in Muskegon County. Some of the more significant are:

- Purchased and installed an indexing, imaging and cash receipting system for the Register of Deeds and County Clerk's offices. These systems allow for certified documents to be generated and fees charged for the production. It also has internet capabilities for future uses.

- Approved the upgrading of the Central Dispatch E-911 system for equipment and emergency response on disaster of a natural or man made occurrence.
- Started a 21 million dollar expansion of the airport runway system to handle larger commercial jets.
- Installed a Family Court imaging system for document storage and retrieval on a state wide basis.
- Approved and started an analysis of telecommunication needs County wide in conjunction with the “Link Michigan” initiative.
- Merged the Muskegon and Ottawa community mental health programs to provide a regional approach to mental health care.
- Accepted a donation of over 200 acres of land for the development of an industrial park complex.
- Approved the development and installation of high speed fiber to most County buildings. This will provide telecommunications, voice, data and streaming video without lag time or disruption for the foreseeable future.
- Entered into mutual aid agreements with the State of Michigan to provide emergency response personnel and equipment throughout the State for any emergencies or disasters that cross county boundaries.
- Remodeled the third and fifth floors in the Hall of Justice building

## **Requests for Information**

This financial report is designed to provide a general overview of the County of Muskegon's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Muskegon, Office of the Administrator, 990 Terrace St., Muskegon Mi. 49442, telephone (231) 724-6520, or e-mail at [borushkoja@co.muskegon.mi.us](mailto:borushkoja@co.muskegon.mi.us).

*County of Muskegon*

*Statement of Net Assets  
September 30, 2002*

ASSETS	Primary Government			Component Unit
	Governmental	Business - Type	Total	Road
	Activities	Activities		Commission
Cash and cash equivalents	\$ 5,812,971	\$ 13,963,396	\$ 19,776,367	\$ 846,179
Investments	24,276,377	33,987,826	58,264,203	2,375,123
Receivables				
Accounts	3,843,936	2,787,729	6,631,665	-
Intergovernmental	7,052,604	3,901,115	10,953,719	2,020,771
Accrued interest	1,000,713	243,916	1,244,629	-
Current taxes	-	3,734,442	3,734,442	-
Delinquent taxes	-	4,401,500	4,401,500	-
Interest and penalties on delinquent taxes	-	1,140,958	1,140,958	-
Special assessments	9,230,288	-	9,230,288	-
Other	17,774	-	17,774	-
Prepaid Items	39,456	-	39,456	160,867
Prepaid expenses	-	148,504	148,504	-
Internal balances	5,350,246	(5,350,246)	-	-
Inventories	74,172	21,276	95,448	941,140
Restricted assets	-	951,043	951,043	-
Long-term note receivable	1,000,000	424,055	1,424,055	-
Land	4,078,102	11,088,122	15,166,224	3,384,037
Capital Assets, net of accumulated depreciation	60,860,462	100,783,132	161,643,594	10,945,106
	<u>\$ 122,637,101</u>	<u>\$ 172,226,768</u>	<u>\$ 294,863,869</u>	<u>\$ 20,673,223</u>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Net Assets  
September 30, 2002*

	Primary Government		Total	Component Unit
	Governmental Activities	Business - Type Activities		Road Commission
<b>LIABILITIES</b>				
<b>Payables</b>				
Accounts	\$ 6,954,349	\$ 5,788,460	\$ 12,742,809	\$ 658,912
Intergovernmental	6,886,124	1,195,990	8,082,114	-
Advances	-	28,982	28,982	457,453
Accrued liabilities	7,512,439	6,125,639	13,638,078	143,780
<b>Payable from restricted funds</b>				
Accrued interest	-	369,102	369,102	-
Unearned revenue	10,435,721	29,601	10,465,322	301,032
<b>Long-term debt</b>				
Due within one year	5,461,755	12,320,000	17,781,755	30,926
Due in more than one year	34,937,599	34,329,389	69,266,988	278,335
<b>Total liabilities</b>	<b>\$ 72,187,987</b>	<b>\$ 60,187,163</b>	<b>\$ 132,375,150</b>	<b>\$ 1,870,438</b>
<b>NET ASSETS</b>				
Investment in capital assets net of related debt	41,673,564	74,190,129	115,863,693	14,329,143
<b>Restricted for:</b>				
Special Revenue	2,943,695	-	2,943,695	3,100,916
Closure Costs	-	8,946,543	8,946,543	-
Capital Projects	5,085,662	-	5,085,662	-
Debt Service	2,484,678	-	2,484,678	-
Perpetual Care	67,245	-	67,245	-
Unrestricted	(1,805,730)	28,902,933	27,097,203	1,372,726
<b>Total Net Assets</b>	<b>\$ 50,449,114</b>	<b>\$ 112,039,605</b>	<b>\$ 162,488,719</b>	<b>\$ 18,802,785</b>

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Activities

For the Year Ended September 30, 2002

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government		Total	Road Commission
						Governmental	Business-Type Activities		
<b>Primary Government:</b>									
<b>Government Activities</b>									
Legislative	\$ 323,109	\$ -	\$ -	\$ -	\$ -	(\$ 323,109)	\$ -	(\$ 323,109)	\$ -
Judicial	7,030,697	2,469,035	453,136	-	2,922,171	(4,108,526)	-	(4,108,526)	-
General County Government	19,840,277	6,082,096	8,205,090	-	14,287,186	(5,553,091)	-	(5,553,091)	-
Public Safety	10,804,338	543,352	1,813,255	-	2,356,607	(8,447,731)	-	(8,447,731)	-
Health	89,691,075	66,121,399	14,795,782	1,487,815	82,404,996	(7,286,079)	-	(7,286,079)	-
Welfare	7,745,042	-	7,613,638	-	7,613,638	(131,404)	-	(131,404)	-
Culture	1,829,362	498,938	252,133	-	751,071	(1,078,291)	-	(1,078,291)	-
Recreation	690,957	567,791	7,948	-	575,739	(115,218)	-	(115,218)	-
Other	341,299	27,053	199,124	-	226,177	(115,122)	-	(115,122)	-
<b>Debt Service</b>									
Interest	1,065,731	-	-	-	-	(1,065,731)	-	(1,065,731)	-
Other	61,382	-	-	-	-	(61,382)	-	(61,382)	-
<b>Total Government Activities</b>	<b>139,423,269</b>	<b>76,309,664</b>	<b>33,340,106</b>	<b>1,487,815</b>	<b>111,137,585</b>	<b>(28,285,684)</b>	<b>-</b>	<b>(28,285,684)</b>	<b>-</b>
<b>Business-Type Activities:</b>									
Solid Waste (5710)	1,193,500	1,952,448	54,548	-	2,006,996	-	813,496	813,496	-
Airport (5810)	2,685,590	806,619	112,312	2,429,940	3,348,871	-	663,281	663,281	-
Wastewater (5920)	13,559,405	11,101,794	-	1,910,000	13,011,794	-	(547,611)	(547,611)	-
Other Proprietary Funds	5,327,035	3,065,217	2,204,741	4,088,938	9,358,896	-	4,031,861	4,031,861	-
<b>Total Business-Type Activities</b>	<b>22,765,530</b>	<b>16,926,078</b>	<b>2,371,601</b>	<b>8,428,878</b>	<b>27,726,557</b>	<b>-</b>	<b>4,961,027</b>	<b>4,961,027</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 162,188,799</b>	<b>\$ 93,235,742</b>	<b>\$ 35,711,707</b>	<b>\$ 9,916,693</b>	<b>\$ 138,864,142</b>	<b>(28,285,684)</b>	<b>4,961,027</b>	<b>(23,324,657)</b>	<b>-</b>
<b>Component Unit:</b>									
Muskegon County Road Commission	\$9,053,049	\$213,011	\$10,727,682	\$1,661,920	\$12,602,613				\$ 3,549,564
<b>General Revenues:</b>									
Taxes						22,013,150	-	22,013,150	-
Licenses and Permits						753,192	-	753,192	-
Investment Earnings						1,567,050	1,504,676	3,071,726	65,413
Rentals						966,596	-	966,596	6,000
Loss on Sale of Assets						(27,413)	-	(27,413)	(6,025)
Donations						180,182	-	180,182	-
Other						5,513,231	1,013,927	6,527,158	22,921
Transfers						(1,360,566)	1,360,566	-	-
<b>Total General Revenues, Special Items, and Transfers</b>						<b>29,605,422</b>	<b>3,879,169</b>	<b>33,484,591</b>	<b>88,309</b>
<b>Change in Net Assets</b>						<b>1,319,738</b>	<b>8,840,196</b>	<b>10,159,934</b>	<b>3,637,873</b>
<b>Net Assets - Beginning of Year</b>						<b>49,129,376</b>	<b>103,199,409</b>	<b>152,328,785</b>	<b>15,164,912</b>
<b>Net Assets - End of Year</b>						<b>\$ 50,449,114</b>	<b>\$ 112,039,605</b>	<b>\$ 162,488,719</b>	<b>\$ 18,802,785</b>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Balance Sheet*

*Governmental Funds*

*September 30, 2002*

ASSETS	General (1010)	Community Mental Health (2220)	Managed Care (2222)	Brookhaven Medical Care Facility (2900)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 951,100	\$ 1,549,728	\$ 463,949	\$ 247,407	\$ 630,960	\$ 3,169,728	\$ 7,012,872
Investments	2,315,076	3,772,140	1,129,283	602,204	1,535,797	7,715,326	17,069,826
Receivables							
Accounts	366,116	254,584	923,871	1,279,605	781,639	232,471	3,838,286
Intergovernmental	1,639,112	-	-	-	-	5,413,492	7,052,604
Accrued interest	848,747	24,277	11,176	2,570	11,231	50,389	948,390
Special assessments	-	-	-	-	9,230,000	288	9,230,288
Other	17,774	-	-	-	-	-	17,774
Prepaid Items	-	-	-	27,387	-	12,069	39,456
Due from other funds	2,865,191	-	-	-	-	-	2,865,191
Inventories	-	-	-	74,172	-	-	74,172
Long-term advances to other funds	618,618	-	-	-	-	-	618,618
Long-term note receivable	-	-	-	-	-	800,000	800,000
	<u>\$ 9,621,734</u>	<u>\$ 5,600,729</u>	<u>\$ 2,528,279</u>	<u>\$ 2,233,345</u>	<u>\$ 12,189,627</u>	<u>\$ 17,393,763</u>	<u>\$ 49,567,477</u>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

County of Muskegon  
 Balance Sheet  
 Governmental Funds  
 September 30, 2002

	General (1010)	Community Mental Health (2220)	Managed Care (2222)	Brookhaven Medical Care Facility (2900)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND EQUITY</b>							
<b>Payables</b>							
Accounts	\$ 637,743	\$ 146,037	\$ 2,421,892	\$ 304,595	\$ -	\$ 3,184,131	\$ 6,694,398
Intergovernmental	67,855	4,859,341	-	-	1,395,936	562,992	6,886,124
Accrued liabilities	1,738,516	508,377	106,387	337,398	-	725,900	3,416,578
Due to other funds	-	-	-	-	-	2,865,191	2,865,191
Long-term advances from other funds	-	-	-	-	-	21,500	21,500
Deferred revenue	-	50,000	-	-	10,005,000	380,721	10,435,721
<b>Total liabilities</b>	<b>2,444,114</b>	<b>5,563,755</b>	<b>2,528,279</b>	<b>641,993</b>	<b>11,400,936</b>	<b>7,740,435</b>	<b>30,319,512</b>
<b>Fund Balances</b>							
Reserved for long-term advances to other funds	618,618	-	-	-	-	-	618,618
Reserved for long-term note receivable	-	-	-	-	-	800,000	800,000
Unreserved							
Designated for Capital Projects	-	-	-	-	-	5,085,662	5,085,662
Designated for Special Revenue	2,053	36,974	-	1,591,352	-	1,313,316	2,943,695
Designated for Debt Service	686,099	-	-	-	788,691	1,009,888	2,484,678
Designated for Perpetual Care	-	-	-	-	-	67,245	67,245
Undesignated	5,870,850	-	-	-	-	-	5,870,850
Undesignated - Special Revenue	-	-	-	-	-	1,377,217	1,377,217
<b>Total Fund Balances and other credits</b>	<b>7,177,620</b>	<b>36,974</b>	<b>-</b>	<b>1,591,352</b>	<b>788,691</b>	<b>9,653,328</b>	<b>19,247,965</b>
<b>Total liabilities and Fund Balances</b>	<b>\$ 9,621,734</b>	<b>\$ 5,600,729</b>	<b>\$ 2,528,279</b>	<b>\$ 2,233,345</b>	<b>\$ 12,189,627</b>	<b>\$ 17,393,763</b>	

Amounts reported for Governmental Activities in the Statement of Net Assets are different because:

Capital assets used for governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.

60,432,435

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and equipment leasing to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Government-wide Statement of Net Assets

10,975,197

Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet

(40,206,483)

Net Assets of Governmental Activities

\$ 50,449,114

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

**County of Muskegon**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended September 30, 2002**

	General (1010)	Community Mental Health (2220)	Managed Care (2222)	Brookhaven Medical Care Facility (2900)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 19,571,024	\$ -	\$ -	\$ -	\$ -	\$ 2,442,126	\$ 22,013,150
Licenses and permits	11,884	-	-	-	-	741,308	753,192
Operating grants and contributions	6,012,779	4,278,111	3,834,515	-	-	19,352,516	33,477,921
Charges for services	7,873,087	10,322,360	16,374,657	39,141,183	12,781	1,202,130	74,926,198
Fines and forfeitures	854,490	-	-	-	-	528,976	1,383,466
Investment income	659,448	138,312	58,127	20,337	25,856	337,222	1,239,302
Rentals	164,286	-	-	11,738	-	790,572	966,596
Special assessments	-	-	-	-	1,350,000	-	1,350,000
Contributions from private sources	-	78,775	53,749	295	-	47,363	180,182
Other	330,505	27,091	750,569	365	3,708	1,639,080	2,751,318
<b>Total revenues</b>	<b>35,477,503</b>	<b>14,844,649</b>	<b>21,071,617</b>	<b>39,173,918</b>	<b>1,392,345</b>	<b>27,081,293</b>	<b>139,041,325</b>
<b>Expenditures</b>							
<b>Current operations</b>							
Legislative	323,109	-	-	-	-	-	323,109
Judicial	5,425,093	-	-	-	-	1,564,409	6,989,502
General County government	11,163,839	-	-	-	-	4,133,776	15,297,615
Public safety	8,107,056	-	-	-	-	2,489,132	10,596,188
Health	-	14,915,738	21,308,411	38,617,400	-	14,598,307	89,439,856
Welfare	-	-	-	-	-	7,615,001	7,615,001
Culture	178,254	-	-	-	-	1,614,250	1,792,504
Recreation	-	-	-	-	-	558,436	558,436
Other	298,693	-	-	-	42,606	-	341,299
Capital outlay	66,756	106,550	267,035	180,476	-	5,942,078	6,562,895
<b>Debt service</b>							
Principal payments	-	-	-	-	1,385,000	1,095,000	2,480,000
Interest	-	-	-	-	36,228	1,029,503	1,065,731
Other	-	-	-	-	-	61,382	61,382
<b>Total expenditures</b>	<b>25,562,800</b>	<b>15,022,288</b>	<b>21,575,446</b>	<b>38,797,876</b>	<b>1,463,834</b>	<b>40,701,274</b>	<b>143,123,518</b>
<b>Revenues over (under) expenditures</b>	<b>9,914,703</b>	<b>(177,639)</b>	<b>(503,829)</b>	<b>376,042</b>	<b>(71,489)</b>	<b>(13,619,981)</b>	<b>(4,082,193)</b>
<b>Other financing sources (uses)</b>							
Sales of Fixed Assets	4,052	-	2,585	-	-	5,035	11,672
Bond Proceeds	-	-	-	-	-	6,500,000	6,500,000
Transfers in	528,000	214,613	501,244	-	72,500	9,966,798	11,283,155
Transfers (out)	(10,206,563)	-	-	-	-	(1,987,158)	(12,193,721)
	<b>(9,674,511)</b>	<b>214,613</b>	<b>503,829</b>	<b>-</b>	<b>72,500</b>	<b>14,484,675</b>	<b>5,601,106</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>240,192</b>	<b>36,974</b>	<b>-</b>	<b>376,042</b>	<b>1,011</b>	<b>864,694</b>	<b>1,518,913</b>
<b>Fund balance at beginning of year as restated (see note 20)</b>	<b>6,937,428</b>	<b>-</b>	<b>-</b>	<b>1,215,310</b>	<b>787,680</b>	<b>8,788,634</b>	<b>17,729,052</b>
<b>Fund balance at end of year</b>	<b>\$ 7,177,620</b>	<b>\$ 36,974</b>	<b>\$ -</b>	<b>\$ 1,591,352</b>	<b>\$ 788,691</b>	<b>\$ 9,653,328</b>	<b>\$ 19,247,965</b>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities**

**For the Year Ended September 30, 2002**

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

Net Change in fund balances - total governmental funds	\$ 1,518,913
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. This is the amount of capital outlays capitalized in the current period less depreciation for the current period	4,831,827
The repayment of long term debt consumes current financial resources but does not effect net assets	2,480,000
Loss on the difference between the cost of a governmental asset and its accumulated depreciation is not recognized in governmental funds as it does not add to current financial resources	(39,085)
The issuance of long term debt provides current financial resources but does not effect net assets	(6,500,000)
The accrual of sick and annual wages does not consume current financial resources but does reduce net assets therefore they are not reported in governmental funds	(356,008)
Due from other funds in the General Fund for cash deficits	2,865,191
Due to General Fund in Governmental funds	(2,865,191)
Long term advances to Governmental funds	21,500
Long term advances to Internal Service funds	597,118
Long term advances from General Fund	(618,618)
Long term advances to Internal Service funds	164,053
Long term advances from Proprietary funds	(164,053)
Due to proprietary funds	1,353,693
Due from internal service funds	(1,353,693)
Due from proprietary funds to the General fund	4,160,606
Due to General fund from proprietary funds	(4,160,606)
Internal service funds are used by management to charge the costs of insurance, printing, central facilities, equipment, risk management and tax collection to individual funds	
The net revenue of certain activities of internal service funds is reported with governmental activities	<u>(615,909)</u>
Change in net assets of governmental activities	<u>\$ 1,319,738</u>

**The accompanying notes are an integral part of this statement.**

*County of Muskegon*

*Statement of Net Assets  
Proprietary Funds  
September 30, 2002*

ASSETS	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 4,026,548	\$ -	\$ 5,664,794	\$ 4,272,054	\$ 13,963,396	\$ 2,960,705
Investments	9,800,882	-	13,788,483	10,398,461	33,987,826	7,206,551
Receivables						
Accounts	275,819	83,638	1,715,207	713,065	2,787,729	5,650
Intergovernmental	38,942	1,142,417	-	2,719,756	3,901,115	-
Accrued interest	74,118	-	105,102	64,696	243,916	52,323
Current taxes	-	-	-	3,734,442	3,734,442	-
Current portion of interest and penalties on delinquent taxes	-	-	-	668,194	668,194	-
Prepaid expenses	-	-	-	148,504	148,504	-
Inventories	516	-	20,244	516	21,276	-
Restricted Assets	829,239	-	-	121,804	951,043	-
<b>Total current assets</b>	<b>15,046,064</b>	<b>1,226,055</b>	<b>21,293,830</b>	<b>22,841,492</b>	<b>60,407,441</b>	<b>10,225,229</b>
<b>NONCURRENT ASSETS</b>						
Long-term advances to other funds	164,053	-	-	-	164,053	1,353,693
Long-term note receivable	424,055	-	-	-	424,055	200,000
Delinquent taxes	-	-	-	4,401,500	4,401,500	-
Interest and penalties on delinquent taxes	-	-	-	472,764	472,764	-
Property and equipment at cost, net of accumulated depreciation	2,848,629	18,582,778	80,854,917	9,584,930	111,871,254	4,506,129
<b>Total noncurrent assets</b>	<b>3,436,737</b>	<b>18,582,778</b>	<b>80,854,917</b>	<b>14,459,194</b>	<b>117,333,626</b>	<b>6,059,822</b>
<b>Total assets</b>	<b>\$ 18,482,801</b>	<b>\$ 19,808,833</b>	<b>\$ 102,148,747</b>	<b>\$ 37,300,686</b>	<b>\$ 177,741,067</b>	<b>\$ 16,285,051</b>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

County of Muskegon

Statement of Net Assets  
 Proprietary Funds  
 September 30, 2002

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 677,514	\$ 48,078	\$ 4,499,088	\$ 563,780	\$ 5,788,460	\$ 259,951
Accrued liabilities	74,021	141,437	835,936	144,596	1,195,990	4,095,861
Advances payable	-	-	-	28,982	28,982	-
Accrued Closure Costs	5,936,094	-	-	-	5,936,094	-
Accrued Interest	-	31,429	-	158,116	189,545	-
Current portion of tax anticipation notes payable	-	-	-	10,000,000	10,000,000	-
Long-term debt payable in less than one year	-	120,000	2,025,000	175,000	2,320,000	21,755
Payable from restricted funds	-	-	-	-	-	-
Accrued interest	-	-	369,102	-	369,102	-
<b>Total current liabilities</b>	<b>6,687,629</b>	<b>340,944</b>	<b>7,729,126</b>	<b>11,070,474</b>	<b>25,828,173</b>	<b>4,377,567</b>
<b>NONCURRENT LIABILITIES</b>						
Due to other funds	-	2,183,154	-	1,977,452	4,160,606	-
Tax anticipation notes payable	-	-	-	1,500,000	1,500,000	-
Land Contract Payable	-	-	-	-	-	171,116
Long-term advances from other funds	-	1,353,693	-	-	1,353,693	761,171
Long-term debt due in more than one year	-	2,160,000	29,504,389	1,165,000	32,829,389	-
Deferred revenue	-	-	-	29,601	29,601	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>5,696,847</b>	<b>29,504,389</b>	<b>4,672,053</b>	<b>39,873,289</b>	<b>932,287</b>
<b>Total liabilities</b>	<b>6,687,629</b>	<b>6,037,791</b>	<b>37,233,515</b>	<b>15,742,527</b>	<b>65,701,462</b>	<b>5,309,854</b>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of related debt	2,848,629	13,771,042	49,325,528	8,244,930	74,190,129	3,596,919
Restricted for cell closure	8,946,543	-	-	-	8,946,543	-
Unrestricted	-	-	15,589,704	13,313,229	28,902,933	7,378,278
<b>Total Net Assets</b>	<b>\$ 11,795,172</b>	<b>\$ 13,771,042</b>	<b>\$ 64,915,232</b>	<b>\$ 21,558,159</b>	<b>\$ 112,039,605</b>	<b>\$ 10,975,197</b>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

*County of Muskegon*

*Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year ended September 30, 2002*

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>Operating revenues</b>						
Charges for services	\$ 1,952,448	\$ 806,619	\$ 10,165,045	\$ 1,207,462	\$ 14,131,574	\$ -
Farm sales	-	-	936,749	-	936,749	-
Interest and penalties on delinquent taxes	-	-	-	1,857,755	1,857,755	-
Intragovernmental revenues	-	-	-	-	-	10,576,929
Other	423,524	35,576	254,839	299,988	1,013,927	2,761,913
	<u>2,375,972</u>	<u>842,195</u>	<u>11,356,633</u>	<u>3,365,205</u>	<u>17,940,005</u>	<u>13,338,842</u>
<b>Operating expenses</b>						
Salaries and fringe benefits	417,691	749,159	3,176,937	1,636,964	5,980,751	1,421,329
Supplies and other operating expenses	621,681	974,721	5,741,091	2,448,699	9,786,192	2,042,250
Insurance benefits and claims	-	-	-	-	-	1,404,855
Insurance premiums	-	-	-	-	-	8,066,656
Interest expense	-	-	-	439,879	439,879	27,801
Depreciation and amortization	154,128	818,073	3,294,755	683,596	4,950,552	869,608
	<u>1,193,500</u>	<u>2,541,953</u>	<u>12,212,783</u>	<u>5,209,138</u>	<u>21,157,374</u>	<u>13,832,499</u>
Operating income (loss)	<u>1,182,472</u>	<u>(1,699,758)</u>	<u>(856,150)</u>	<u>(1,843,933)</u>	<u>(3,217,369)</u>	<u>(493,657)</u>
<b>Non Operating revenues (expenses)</b>						
Operating subsidies	54,548	112,312	-	2,204,741	2,371,601	-
Interest income	453,864	108	584,406	466,298	1,504,676	327,748
Interest expense	-	(143,637)	(1,286,252)	(107,458)	(1,537,347)	-
Other	-	-	(60,370)	(10,439)	(70,809)	-
	<u>508,412</u>	<u>(31,217)</u>	<u>(762,216)</u>	<u>2,553,142</u>	<u>2,268,121</u>	<u>327,748</u>
Income before operating transfers and capital contributions	1,690,884	(1,730,975)	(1,618,366)	709,209	(949,248)	(165,909)
Capital contributions	-	2,429,940	1,910,000	4,088,938	8,428,878	-
Transfers in	-	1,223,902	-	6,024,246	7,248,148	-
Transfers (out)	(424,056)	-	-	(5,463,526)	(5,887,582)	(450,000)
	<u>(424,056)</u>	<u>3,653,842</u>	<u>1,910,000</u>	<u>4,649,658</u>	<u>9,789,444</u>	<u>(450,000)</u>
Change in Net Assets	1,266,828	1,922,867	291,634	5,358,867	8,840,196	(615,909)
Net Assets at beginning of year	10,528,344	11,848,175	64,623,598	16,199,292	103,199,409	11,591,106
Net Assets at end of year	<u>\$ 11,795,172</u>	<u>\$ 13,771,042</u>	<u>\$ 64,915,232</u>	<u>\$ 21,558,159</u>	<u>\$ 112,039,605</u>	<u>\$ 10,975,197</u>

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Cash Flows

Proprietary Funds

For the Year ended September 30, 2002

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers/Other Funds	\$ 1,604,638	\$ 570,466	\$ 11,468,877	\$ 2,732,547	\$ 16,376,528	\$ 13,331,974
Cash Payments to Suppliers of Goods and Services	34,889	(1,013,035)	(8,565,644)	(2,888,268)	(12,432,058)	(11,079,978)
Interest Paid	-	-	-	(571,671)	(571,671)	-
Cash Payments to Employees for Services	(426,183)	(748,139)	(3,037,699)	(1,625,818)	(5,837,839)	(1,422,712)
Other receipts	423,524	35,576	254,839	664,268	1,378,207	-
Net cash provided by (used for) Operating Activities	<u>1,636,868</u>	<u>(1,155,132)</u>	<u>120,373</u>	<u>(1,688,942)</u>	<u>(1,086,833)</u>	<u>829,284</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances from (to) other funds	27,456	(69,325)	-	(6,229)	(48,098)	(27,456)
Operating Subsidies from Grants	54,548	112,312	-	140,341	307,201	-
Transfers (out)	(424,056)	-	-	(5,463,526)	(5,887,582)	(450,000)
Transfers in	-	1,223,902	-	6,024,246	7,248,148	-
Bond payments	-	-	-	(11,250,000)	(11,250,000)	-
Bond proceeds	-	-	-	9,000,000	9,000,000	-
Tax collections	-	-	-	12,135,307	12,135,307	-
Delinquent tax payments to municipalities	-	-	-	(12,351,258)	(12,351,258)	-
Net cash provided by (used for) noncapital financing activities	<u>(342,052)</u>	<u>1,266,889</u>	<u>-</u>	<u>(1,771,119)</u>	<u>(846,282)</u>	<u>(477,456)</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Bond Proceeds	-	-	17,000,000	-	17,000,000	-
Principal payments on long term debt	-	(110,000)	(1,685,448)	(180,000)	(1,975,448)	(20,088)
Principal received on long term advances	-	-	-	-	-	69,325
Interest expense and agent fees	-	(145,012)	(1,172,595)	(112,183)	(1,429,790)	-
Purchase of fixed assets	(1,917,718)	(1,175,529)	(7,555,076)	(1,452,632)	(12,100,955)	(1,263,543)
Construction in progress	-	(1,111,264)	-	(5,278)	(1,116,542)	-
Sale of fixed assets	-	-	-	(10,139)	(10,139)	5,925
Capital contributions and grants	-	2,429,940	1,910,000	4,088,938	8,428,878	-
Net cash used for capital and related financing activities	<u>(1,917,718)</u>	<u>(111,865)</u>	<u>8,496,881</u>	<u>2,328,706</u>	<u>8,796,004</u>	<u>(1,208,381)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Interest received from investment pool	577,242	108	661,919	618,350	1,857,619	432,367
Net cash provided by investing activities	<u>\$ 577,242</u>	<u>\$ 108</u>	<u>\$ 661,919</u>	<u>\$ 618,350</u>	<u>\$ 1,857,619</u>	<u>\$ 432,367</u>

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Cash Flows - Continued  
 Proprietary Funds  
 For the Year ended September 30, 2002

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(\$ 45,660)	\$ -	\$ 9,279,173	(\$ 513,005)	\$ 8,720,508	(\$ 424,186)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,873,090	-	10,174,104	15,183,520	39,230,714	10,591,442
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 13,827,430</u>	<u>\$ -</u>	<u>\$ 19,453,277</u>	<u>\$ 14,670,515</u>	<u>\$ 47,951,222</u>	<u>\$ 10,167,256</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>						
Operating income (loss)	<u>\$ 1,182,472</u>	<u>(\$ 1,699,758)</u>	<u>(\$ 856,150)</u>	<u>(\$ 1,843,933)</u>	<u>(\$ 3,217,369)</u>	<u>(\$ 493,657)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	154,128	818,073	3,294,755	683,596	4,950,552	869,608
Loss (Gain) on sale of fixed assets	-	-	-	-	-	(5,925)
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	115,187	34,489	367,084	141,414	658,174	(943)
(Increase) decrease in intergovernmental receivable	(462,997)	(1,044,079)	-	166,681	(1,340,395)	-
Increase (decrease) in deferred revenue	-	-	-	(166,681)	(166,681)	-
(Increase) decrease in inventory	-	-	14,424	-	14,424	-
Increase (decrease) in accounts payable	641,462	(38,314)	(2,838,978)	(459,928)	(2,695,758)	59,121
(Increase) decrease in prepaid expenses	-	-	-	19,584	19,584	-
(Increase) decrease in restricted assets	(56,386)	-	-	775	(55,611)	-
Increase in closure costs	71,494	-	-	-	71,494	-
Increase in due to other funds	-	773,437	-	(474,084)	299,353	-
Increase (decrease) in accrued liabilities	(8,492)	1,020	139,238	243,634	375,400	401,080
Total adjustments	<u>454,396</u>	<u>544,626</u>	<u>976,523</u>	<u>154,991</u>	<u>2,130,536</u>	<u>1,322,941</u>
Net cash provided by operations	<u>\$ 1,636,868</u>	<u>(\$ 1,155,132)</u>	<u>\$ 120,373</u>	<u>(\$ 1,688,942)</u>	<u>(\$ 1,086,833)</u>	<u>\$ 829,284</u>

The accompanying notes are an integral part of this statement.

**County of Muskegon**

**Statement of Fiduciary Net Assets  
Fiduciary Funds  
September 30, 2002**

	<u>Agency Funds</u>	<u>Trust Fund Retirees' Insurance (7330)</u>
<b>ASSETS</b>		
Cash and cash investments	\$ 2,049,584	\$ 11,495,855
Accounts receivable	775,111	4,494
Intergovernmental receivable	478	-
Accrued interest receivable	3,876	56,993
	<u>\$ 2,829,049</u>	<u>\$ 11,557,342</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 40,966	\$ -
Intergovernmental payable	749,911	-
Undistributed current and delinquent taxes	582,523	-
Trust deposits	442,290	-
Accrued liabilities	29,676	-
Unallocated receipts	958,831	-
Fines and Fees due to local municipalities and libraries	24,852	-
	<u>\$ 2,829,049</u>	<u>-</u>
Net Assets		
Held in trust for pension benefits		<u>\$ 11,557,342</u>

The accompanying notes are an integral part of this statement.

***County of Muskegon***

***Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year ended September 30, 2002***

	<b>Retirees' Insurance (7330)</b>
<b>Additions</b>	
<b>Contributions</b>	
<b>Employer</b>	\$ 2,109,569
<b>Plan members</b>	359,761
<b>Investment earnings</b>	339,033
<b>Total Additions</b>	<u>2,808,363</u>
<b>Deductions</b>	
<b>Benefits</b>	1,877,957
<b>Expenses</b>	-
<b>Total Deductions</b>	<u>1,877,957</u>
<b>Change in Net Assets</b>	930,406
<b>Net Assets - Beginning</b>	<u>10,626,936</u>
<b>Net Assets - Ending</b>	<u><u>\$ 11,557,342</u></u>

The accompanying notes are an integral part of this statement.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS

The County of Muskegon, Michigan, 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.

a) Reporting Entity

The accompanying financial statements present the County and its discretely presented component unit, entity for which the County is considered to be fiscally accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate for the County.

**Discretely presented component unit.** The Muskegon County Road Commission (MCRC) is responsible for maintaining a primary and local road system within county boundaries. The members of the governing board are appointed by the County Board of Commissioners and the County has significant financial responsibility for its operations. The County board also approves all debt issuances.

Complete financial statements for the individual component unit can be obtained from the entity's administrative office.

Muskegon County Road Commission  
7700 E Apple Ave  
Muskegon MI 49442

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

b) Fund Accounting

The financial activities of the county are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

c) Government-wide and fund financial statements

The government-wide financial statements include a Statement of Nets Assets and a Statement of Activities and Changes in Net Assets on all the non-fiduciary activities of the primary government and its component unit. Most of the effects of interfund activity have 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 primarily on users fees and charges for service. Likewise, the **primary government** is reported separately from certain legally separate **component units** for which the primary government is financially accountable.

The statement of activities demonstrate the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identified with a specific function or segment. 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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements use the “economic resources” measurement focus and full accrual basis of accounting which also include the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expense 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.

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 one-year availability period is used for revenue recognition for all other governmental fund revenues. 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 judgements, are recorded only when payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

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** (1010) is the government’s primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

**Community Mental Health** (2220) 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

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation - continued

**Managed Care** (2222) accounts for monies received from all sources and distributes these funds to contracted providers and our own internal providers of services for mental health services.

**Brookhaven Medical Care Facility** (2900) accounts for revenues received from insurance providers, governmental agencies and patients (or their representatives) for the operation of a medical care facility for the care of the elderly and infirm.

**Water and Sewer Debt** (3650) accounts for revenues received from local municipalities for the payment of the limited obligation long-term debt (principal, interest and fees) of the County. This debt is a special assessment debt with governmental commitment associated with local municipalities, water and sewer installation and infrastructure improvements.

The County reports the following major proprietary funds:

**Solid Waste** (5710) accounts for revenues received from, and expenses made for, the operations of a solid waste system. Monies for the operation of this fund are received from customers.

**Airport** (5810) 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.

**Wastewater** (5920) provides a innovative, comprehensive plan fo 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:

**Internal service funds** account for printing, building maintenance, building and equipment purchases, and insurance and risk management on a cost reimbursement basis.

**Trust funds** account for the perpetual care of retirees' medical and dental costs. 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).

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation - continued

**Agency funds** account for monies that are custodial in nature (assets equal liabilities) and do not involve the measurement of results in operations. Agency funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting as are the governmental funds explained above.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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 and internal rentals of buildings and equipment in excess of depreciation and cost of money. 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 Wastewater enterprise fund, of the Solid Waste enterprise fund, and the Airport enterprise fund are charges to customers for sales and services. The County's internal service funds recognize as operating revenue internal transfers intended to recover the cost of providing specific benefits and equipment to employees and departments within County operations. 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. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The County reports deferred revenue on its Governmental Funds balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

e) Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

f) Inventories

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.

g) 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 \$1,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are 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. Donated fixed assets are valued at their estimated fair market value on the date donated.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

g) Capital Assets - continued

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

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

h) Compensated absences

County employees are granted vacation and sick leave in varying amounts based on length of service. Upon termination, employees are paid (1) accumulated vacation at full rates with certain limitations for non-staff personnel, and (2) accumulated sick leave at death or retirement at three-quarters the employee's pay rate and at one-half the employee's pay rate for all other reasons. Vacation and sick pay is fully accrued in the government-wide and proprietary financial statements. Vacation and sick leave payable out of expendable available resources in the governmental fund types is accrued in the general fund with the long-term portion of \$5,971,483 being recorded as a portion of the long-term debt in the government-wide financial statement. County Road Commission personnel are paid fully for accumulated vacation and nothing for sick leave upon termination. Upon retirement or death, personnel receive full accumulated vacation and one half the sick leave accrued.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

i) Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

j) 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 workers' compensation, medical and unemployment, the county maintains an incurred but not reported (IBNR) reserve in both areas.

k) Fund Balance Reserves and Designations

Long-term advances from the general fund to the internal service funds were made to finance and sustain the activities of these funds. A portion of the general fund balance is reserved in an amount equal to such advances to reflect the amount of fund balance not currently available for expenditure.

As discussed in Note 4, the county has a long-term note receivable from the City of Muskegon Downtown Development Authority, which is held jointly by the capital projects and internal service funds. Portions of the capital projects fund balance have been reserved and retained earnings of an internal service fund have been appropriated in amounts equal to their respective portions of such long-term note receivable to reflect the amount of the fund balance and retained earnings not currently available for expenditure.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

1) Fund Balance Reserves and Designations - continued

Fund balances designated for programs and debt service represent amounts appropriated by the Board of Commissioners for specific projects which carry over each year.

Specific fund balances designated and reserved are:

General and Special Revenue

General Fund (1010)	\$2,053
Emergency Services (1190)	25,653
Parks Development (2080)	162,861
Friend of the Court (2150)	211,669
Health Department (2210)	114,403
Community Mental Health (2220)	36,974
Accommodations Tax (2300)	2,635
Parks Development (2411)	123
Sewage Facilities Step One (2430)	45,813
Community Corrections (2640)	1,412
West Michigan Enforcement Team (WMET) (2670)	16,647
TNT Drug (2671)	159,668
Prosecutor Drug Fund (2672)	35,172
Library (2710)	28,178
EDC Loan Revolving (2860)	345,581
Cherry Hill Loan (2871)	41,005

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

1) Fund Balance Reserves and Designations - continued

General and Special Revenue - continued

Rambusch-Fuchs CDBG Grant (2873)	3,549
Brookhaven Medical Care (2900)	1,591,352
Mental Health Buildings (2970)	<u>118,947</u>
	<u>\$2,943,695</u>

Debt Service

Designated for debt service	<u>\$2,484,678</u>
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Capital Projects

Capital improvements designated for Hall of Justice (4130)	\$1,109,649
Capital improvements designated for Heritage Landing (4180)	8,532
Capital improvements designated for Fruitport Township Sewer Project (4615)	130,127
Capital improvements designated for Fruitport/NS Sewer Project (4618)	1,992,995
Future capital projects (4930) (4960)	1,564,204
Long-term Note Receivable (4930) (4960)	800,000
Capital improvements designated for drain projects (8010)	<u>280,155</u>
	<u>\$5,885,662</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

1) Fund Balance Reserves and Designations - continued

Permanent Funds

Designated for perpetual care (1500) (1550)

\$67,245

Enterprise

Restricted for cell closure (5710)

\$8,946,543

Trust

Retirees' Insurance (7330)

\$11,557,342

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

m) Budgets

The general, special revenue, and debt service funds are the governmental fund types under formal budgetary control. The county adopts its budget in accordance with Public Act 621, the Uniform Budgeting and Accounting Act, which mandates an annual budget process and an annual appropriation act to implement the budget.

1. A general, special revenue and debt service funds budget is presented to the Ways and Means Committee of the Board in September, at which time hearings on the budget are scheduled. A Public Hearing is held in August or September and a special meeting is held to give all elected officials the opportunity to discuss their budget with the Board.
2. The budget, and an appropriation ordinance implementing it, is then adopted in September.
3. Formal budget integration is employed as a management control device during the year for the general, special revenue and debt service funds. Formal budgetary integration is not employed for any other fund and only informational summaries are prepared as a management tool and are presented to the Board for consideration.
4. Budgets presented for the general, special revenue and debt service funds were prepared on the modified accrual basis of accounting. Encumbrances are not recorded at year end.
5. Expenditures may not legally exceed activity (department) totals in the general fund. All other special revenue fund expenditures and debt service funds cannot legally exceed their respective fund totals and must remain in accordance with their respective grant agreements with federal and state agencies.
6. Budgets for the current year are carefully reviewed in June or July for any revision of estimates. Proposed increases or reductions in appropriations are presented to the Ways and Means Committee and the Board in August and September for their action. The legislative body amends the general appropriation act as soon as it becomes apparent this action is necessary.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES AND OTHER MATTERS - Continued

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. The amendments were not significant in total.
9. All budget appropriations lapse at the end of each funds' fiscal year.

n) 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.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES AND OTHER MATTERS - Continued

o) Indirect Cost Rate

Administrative costs are recorded in the general fund as indirect costs in the county's accounting system and allocated to the various funds based upon a negotiated indirect cost plan. Indirect costs are defined by Office of Management and Budget (OMB) Circular A-87 as costs "(a) incurred for a common or joint purpose benefitting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved." The indirect cost rate used by the county is based on prior cost experience, documented by a cost allocation plan, (published March 2002), and is approved by a cognizant federal agency (health and human services) in accordance with the provision of OMB Circular A-87. Upon the completion of an independent audit at the end of each fiscal year, the indirect cost rate is scrutinized and a revised fixed rate for future use is negotiated with the cognizant agency only if necessary. During 2002, the county's indirect cost rate was 11.6603% of direct salaries and wages, excluding fringe benefits. Certain other accounting policies are disclosed in subsequent footnotes.

NOTE 2 - PROPERTY TAX

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 three years have elapsed trigger the property to be sold, for the price of taxes due, at a tax sale on or about the first Monday in May. Therefore, under the statutes, total delinquency collection is assured.

NOTE 3 - CASH AND CASH EQUIVALENTS

To facilitate better management of the county's resources, substantially all cash is combined in one pooled operating account. The county's excess cash is invested principally in certificates of deposit, U.S. treasury notes, and commercial paper primarily on a pooled investment basis.

Cash equivalents are short-term, highly liquid investments that have both of the following characteristics:

- . Investments that are readily convertible to known amounts of cash
- . Investments that mature in such a short period of time that their values are effectively immune from changes in interest rates in interest rates
- . Original maturity of three months or less

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 3 - CASH AND CASH EQUIVALENTS - Continued

Investments are stated at fair value. Investment income of the pooled investment account is allocated monthly to the respective funds on the basis of their average daily cash balance. As of September 30, 2002, investments consisted of the following:

	<u>Treasury Notes</u>	<u>Investment Funds</u>	<u>Commercial Paper</u>	<u>Total</u>
Pooled Investments	<u>\$28,701,265</u>	<u>\$10,391,676</u>	<u>\$29,222,314</u>	<u>\$68,315,255</u>

The county maintains a cash and investment pool that is used by all county funds and service agencies for which the county provides bookkeeping services. Each fund's portion of this pool is displayed as "cash and cash equivalents" (and investments) on the combined and individual balance sheets.

Deposits: At year-end, the carrying amount of the county's deposits was \$33,181,866 and the bank balance was \$27,543,934. Of the balances, \$500,000 was covered by federal depository insurance in the County's name. The remaining \$27,043,934 is uninsured and uncollateralized.

Investments: Per M..S.A. 3.843 (1), the legislative or governing body of the county has authorized the treasurer to invest surplus funds belonging to and under the control of the commission of the county as follows:

1. In bonds and other direct obligations of the United States or an instrumentality of the United States.
2. In certificates of deposit, saving accounts, deposit accounts, or depository receipts of a bank which is a member of the federal deposit insurance corporation or a savings and loan association which is a member of the federal savings and loan insurance corporation or a credit union which is insured by the national credit union administration.
3. In commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. Not more than 50% of any fund may be invested in commercial paper at any time.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS -CONTINUED

September 30, 2002

NOTE 3 - CASH AND CASH EQUIVALENTS - Continued

4. In United States government or federal agency obligation repurchase agreements.
5. In banker's acceptance of United States banks.
6. In mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The county's investments are listed below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or securities held by the county, or its agent in the county's name. Category 2 includes investments that are uninsured and unregistered, held by the counterparty's trust department or agent in the county's name. Category 3 includes investments that are uninsured and unregistered and held by the counterparty or by its trust department or agent but not in the county's name. The regulatory oversight for the municipal sweep account and the government investment account pools is the investment statute for the State of Michigan.

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Amount Total</u>
U.S. Treasury Notes	\$28,701,265			\$28,701,265
Commercial Paper	<u>29,222,314</u>			<u>29,222,314</u>
	<u>\$57,923,579</u>			<u>57,923,579</u>
Municipal Sweep Account (stated at fair value)		Bank Municipal Investment Pool		10,084,000
Governmental Investment Account (stated at fair value)		Bank Municipal Investment Pool		<u>307,676</u>
Total Investments				<u>\$68,315,255</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 4 - LONG-TERM NOTE RECEIVABLE

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

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

NOTE 5 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet”. The details of this \$40,206,483 difference are as follows:

Special Assessment bonds	\$10,720,000
General Obligation Bonds	15,520,000
Building Authority Bonds	7,995,000
Compensated absences	<u>5,971,483</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$40,206,483</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 5 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - continued

- b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that " 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. The details of this \$4,831,827 difference are as follows:

Capital Outlay	\$8,376,000
Internal Service asset purchases	(1,263,543)
Internal Service depreciation	869,608
Depreciation Expense as presented for Governmental Activities	<u>(3,150,238)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$4,831,827</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED

September 30, 2002

NOTE 6 - CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2002 are summarized as follows:

**Primary Government**

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Governmental Activities</b>				
Capital assets, not depreciable:				
Land	<u>\$2,676,238</u>	<u>\$1,401,864</u>	<u>\$ -</u>	<u>\$4,078,102</u>
Capital assets being depreciated:				
Land Improvements	3,492,632	955,684	-	4,448,316
Buildings and Improvements	62,597,404	3,893,928	-	66,491,332
Machinery and Equipment	<u>14,230,983</u>	<u>2,124,524</u>	<u>267,247</u>	<u>16,088,260</u>
Total assets being depreciated	80,321,019	6,974,136	267,247	87,027,908
Less accumulated depreciation for:				
Land Improvements	(514,178)	(128,206)	-	(642,384)
Buildings and Improvements	(13,145,941)	(1,574,243)	-	(14,720,184)
Machinery and Equipment	<u>(9,585,251)</u>	<u>(1,447,789)</u>	<u>228,162</u>	<u>(10,804,878)</u>
Total accumulated depreciation	<u>(23,245,370)</u>	<u>(3,150,238)</u>	<u>228,162</u>	<u>(26,167,446)</u>
Total capital assets being depreciated, net	<u>57,075,649</u>	<u>3,823,898</u>	<u>(39,085)</u>	<u>60,860,462</u>
 Governmental activities-capital assets, net	 <u>\$59,751,887</u>	 <u>\$5,225,762</u>	 <u>(\$39,085)</u>	 <u>\$64,938,564</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 6 - CAPITAL ASSETS - Continued

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Business-type Activities</b>				
Capital assets, not depreciable:				
Land	\$11,509,557	\$ -	\$421,435	\$11,088,122
Construction in progress	<u>11,314,627</u>	<u>9,429,364</u>	<u>4,981,962</u>	<u>15,762,029</u>
Total capital assets not being depreciated	<u>\$22,824,184</u>	<u>\$9,429,364</u>	<u>\$5,403,397</u>	<u>\$26,850,151</u>
Capital assets being depreciated:				
Land Improvements	17,094,581	1,987,397	-	19,081,978
Buildings and Improvements	18,077,292	5,817,449	-	23,894,741
Machinery and Equipment	13,544,430	1,496,771	562,404	14,478,797
Lagoons	9,517,671	-	-	9,517,671
W/W collection and distribution	74,101,142	45,796	3,175	74,143,763
Capitalized interest and engineering	<u>7,381,808</u>	<u>-</u>	<u>-</u>	<u>7,381,808</u>
Total assets being depreciated	<u>\$139,716,924</u>	<u>\$9,347,413</u>	<u>\$565,579</u>	<u>\$148,498,758</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 6 - CAPITAL ASSETS - Continued

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Less accumulated depreciation for:				
Land Improvements	(\$9,077,507)	(\$444,045)	\$ -	(\$9,521,552)
Buildings and Improvements	(6,633,082)	(660,313)	-	(7,293,395)
Machinery and Equipment	(8,172,371)	(1,150,866)	(406,520)	(8,916,717)
Lagoons	(2,674,894)	(96,321)	-	(2,771,215)
W/W collection and distribution	(29,517,721)	(2,330,391)	(3,175)	(31,844,937)
Capitalized interest and engineering	<u>(2,861,223)</u>	<u>(268,616)</u>	<u>-</u>	<u>(3,129,839)</u>
Total accumulated depreciation	<u>(58,936,798)</u>	<u>(4,950,552)</u>	<u>(409,695)</u>	<u>(63,477,655)</u>
Total business-type assets being depreciated, net	<u>80,780,126</u>	<u>4,396,861</u>	<u>155,884</u>	<u>85,021,103</u>
Business-type activities-capital assets, net	<u>\$103,604,310</u>	<u>\$13,826,225</u>	<u>\$5,559,281</u>	<u>\$111,871,254</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 6 - CAPITAL ASSETS - Continued

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

Governmental activities:

Judicial	\$41,195
General County Government	1,800,692
Public Safety	208,150
Health	800,781
Welfare	130,041
Culture	36,858
Recreation	<u>132,521</u>
Total Depreciation Expense - Governmental activities	<u>\$3,150,238</u>

Business-type Activities

Solid Waste	\$154,128
Airport	818,073
Wastewater	3,294,755
Other Proprietary Funds	<u>683,596</u>
Total Depreciation Expense - business-type activities	<u>\$4,950,552</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 7 - LONG-TERM DEBT

Change in Long-term debt of the county for the year ended September 30, 2002 was as follows:

	Balance October 1, <u>2001</u>	Additions	Reductions	Balance September 30, <u>2002</u>	Due within <u>one year</u>
<u>Governmental Activities</u>					
Bonds Payable:					
<b>Special Assessment with Governmental commitment</b>					
Muskegon County Water Supply System No. 1 Bonds-payable in annual installments of \$300,000 to 2003 with interest of 5.0% (8711) (Issued \$6,000,000)	\$900,000		(\$300,000)	\$600,000	\$300,000
Series II - payable in annual installments of \$100,000 through 2004 with interest from 6% to 7.4% (8713) (Issued \$2,150,000)	400,000		(100,000)	300,000	100,000
Fruitport Sewer Bond - payable in increasing annual installments ranging from \$25,000 in 2002 to \$250,000 in 2020 with interest from 4.7% to 6.5% (8715) (Issued \$2,680,000)	2,680,000		(25,000)	2,655,000	25,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2001</u>	Additions	Reductions	Balance September 30, <u>2002</u>	Due within <u>one year</u>
Series II - payable in decreasing annual installments ranging from \$175,000 in 2002 to \$550,000 in 2020 with interest from 4.75% to 6.75% (8718) (Issued \$6,500,000)	6,325,000		(175,000)	6,150,000	200,000
Northside Water Project Bonds - payable in increasing annual installments ranging from \$35,000 in 2002 to \$40,000 in 2021 with interest at 5% (8719) (Issued \$1,100,000)	750,000		(35,000)	715,000	35,000
Muskegon Township Extension Bonds - payable in annual installments of \$600,000 to 2002 with interest at 5% (8833) (Issued \$9,500,000)	600,000		(600,000)		
Laketon Township Extension Bonds - payable in annual installments of \$150,000 to 2004 with interest from 6.35% To 6.4% (8834) (Issued \$2,800,000)	450,000		(150,000)	300,000	150,000

County of Muskegon  
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
 September 30, 2002

NOTE 7 - LONG TERM DEBT - Continued

Governmental Activities - continued

	<u>Balance October 1, 2001</u>	Additions	Reductions	<u>Balance September 30, 2002</u>	<u>Due within one year</u>
<b>General Obligation Bonds:</b>					
Quality of Life Project Bond - payable in increasing annual installments ranging from \$425,000 in 2002 to \$550,000 in 2004 with interest from 7.5% to 7.875% (3110) (Issued \$2,425,000)	1,450,000		(425,000)	1,025,000	475,000
Quality of Life Project Bond (Refunded)-payable in increasing annual installments ranging from \$60,000 in 2002 to \$1,505,000 in 2016 with interest from 4% to 4.85%. (3111) (Issued \$14,000,000)	13,900,000		(60,000)	13,840,000	75,000
Muskegon County Mental Health Center Bonds (refunded) - payable in increasing annual installments ranging from \$225,000 in 2002 to \$200,000 in 2005 with interest from 4.05% to 4.25% (3141) (Issued \$1,625,000)	880,000		(225,000)	655,000	220,000
<b>Building Authority Bonds:</b>					
Muskegon County Convention Center (Refunded) - payable in annual installments of \$250,000 to 2003 with interest of 6.2% (3100) (Issued \$2,330,000)	500,000		(250,000)	250,000	250,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2001</u>	Additions	Reductions	<u>Balance September 30, 2002</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
Muskegon County Mental Health Center Bonds (refunded) - payable in 3 installments of \$175,000 in 2008 to 2010 with interest at 5.0% (3142) (Issued \$625,000)	525,000			525,000	
Muskegon County Health Center Bonds - payable in increasing annual installments ranging from \$135,000 in 2002 to \$140,000 in 2007 with interest from 4.05% to 4.35% (3143) (Issued \$1,255,000)	855,000		(135,000)	720,000	130,000
Muskegon County Hall of Justice Bonds-payable in increasing annual installments ranging from \$180,000 in 2003 to \$520,000 in 2022 with interest from 4.25% to 5.0% (3130)	<u>                    </u>	<u>6,500,000</u>	<u>                    </u>	<u>6,500,000</u>	<u>180,000</u>
Total Bonds Payable	30,215,000	6,500,000	(2,480,000)	34,235,000	2,140,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2001</u>	Additions	Reductions	<u>Balance September 30, 2002</u>	<u>Due within one year</u>
<u>Governmental Activities - continued</u>					
Land contract payable in monthly installments of \$3,033.20 including interest at 8% until August 2009 (6660) (Issued \$ 250,000)	212,959		(20,088)	192,871	21,755
Sick leave and annual time payable as used or upon retirement or termination. (See Note 1(h) for limitations on payoff)(1010)	<u>5,615,475</u>	<u>3,907,190</u>	<u>(3,551,182)</u>	<u>5,971,483</u>	<u>3,403,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$36,043,434</u>	<u>\$10,407,190</u>	<u>(\$6,051,270)</u>	<u>\$40,399,354</u>	<u>\$5,564,755</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2001</u>	Additions	Reductions	Balance September 30, <u>2002</u>	<u>Due within one year</u>
<u>Business-Type Activities</u>					
<b>Bonds Payable</b>					
<b>Revenue Bonds:</b>					
1989 Muskegon County Wastewater Management System No. 1 Bonds - payable in 3 annual installments of \$2,000,000 in 2006, 2007 and 2008 with interest at 5.75% (3912) (Issued \$6,750,000)	6,000,000			6,000,000	
1992 Muskegon County Wastewater Management System No. 1 Bonds - payable in increasing annual installments ranging from \$150,000 in 2002 to \$200,000 in 2008 with interest from 6.00% to 6.4% (3913) (Issued \$2,300,000)	1,325,000		(150,000)	1,175,000	175,000
1989 Muskegon County Wastewater Management System No. 1 Bonds Refunded - payable in varying annual installments ranging from \$1,760,000 in 2002 to \$1,650,000 in 2005 with interest from 4.9% to 5.7% (3914) (Issued \$13,750,000)	6,815,000		(1,760,000)	5,055,000	1,720,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2001</u>	Additions	Reductions	Balance September 30, <u>2002</u>	Due within <u>one year</u>
<b><u>Business-Type Activities - Continued</u></b>					
Wastewater Bond - payable in increasing annual installments ranging from \$130,000 in 2003 to \$850,000 in 2026 with interest from 3.2% to 5.00% (5935) (Issued \$17,000,000)		17,000,000		17,000,000	130,000
<b>Building Authority Bonds:</b>					
Muskegon County Fairgrounds - (Refunded) payable in increasing annual installments to \$180,000 in 2002 to \$185,000 in 2009 with interest from 5.90% to 6.25% (5083) (Issued \$1,985,000)	1,520,000		(180,000)	1,340,000	175,000
Muskegon County Airport Terminal - payable in increasing annual installments ranging from \$110,000 in 2002 to \$280,000 in 2013 with interest from 5.00% to 5.625% (5810) (Issued \$2,995,000)	<u>2,390,000</u>	_____	<u>(110,000)</u>	<u>2,280,000</u>	<u>120,000</u>
Total Bonds Payable	18,050,000	17,000,000	(2,200,000)	32,850,000	2,320,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2001</u>	Additions	Reductions	<u>Balance September 30, 2002</u>	<u>Due within one year</u>
<b>General Obligation Tax Notes</b>					
1998 - payable in annual installments of \$1,500,000 in 2002 with interest of 6.0% (5168) (Issued \$9,250,000)	1,500,000		(1,500,000)		
1999 - payable in annual installments of \$3,250,000 in 2002 including interest at 7.45% (5169) (Issued \$9,250,000)	3,250,000		(3,250,000)		
2000 - payable in annual installments of \$6,500,000 in 2002 and \$2,500,000 in 2003 with interest from 4.3% to 5% (5160) (Issued \$9,000,000)	9,000,000		(6,500,000)	2,500,000	2,500,000
2001 - payable in annual installments of \$7,500,000 in 2003 and \$1,500,000 in 2004 with interest ranging from 2.55% to 3.90% (5161) (Issued \$9,000,000)	<u>                    </u>	<u>9,000,000</u>	<u>                    </u>	<u>9,000,000</u>	<u>7,500,000</u>
Total General Obligation Tax Notes	13,750,000	9,000,000	(11,250,000)	11,500,000	10,000,000
<b>Note Payable:</b>					
Fourteen year promissory note payable for infrastructure improvements at 5.75% interest payable in quarterly installments commencing May 1, 2003	<u>2,074,837</u>	<u>309,440</u>	<u>                    </u>	<u>2,384,277</u>	<u>                    </u>
Total Business-Type Activities long-term liabilities	<u>\$33,874,837</u>	<u>\$26,309,440</u>	<u>(\$13,450,000)</u>	<u>\$46,734,277</u>	<u>\$12,320,000</u>
Total all long-term liabilities	<u>\$69,918,271</u>	<u>\$36,716,630</u>	<u>(\$19,501,270)</u>	<u>\$87,133,631</u>	<u>\$17,884,755</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 7 - LONG-TERM DEBT - Continued

The special assessment bonds were issued by the county pursuant to contracts entered into with the City of Norton Shores, Egelston Township, Muskegon Township, Laketon Township, and Fruitport Township for the financing of additional sewage collection and disposal and water supply systems for the contractees. Under the terms of the agreements, the contractees are to pay the county each year amounts sufficient to provide for debt service. The full faith and credit of the county and that of the respective participating municipalities are pledged for repayment of the bonds.

The Muskegon County Wastewater Management System No. 1 Bonds issued are a general obligation (revenue) bond issue repayable from the proceeds of contract payments by participating users in the system. The full faith and credit of the county and that of participating municipalities are pledged for repayment of the bonds. The General Obligation tax notes are issued by the county to pay the various local units of government their respective share of delinquent property taxes. The notes are collateralized by the assets of the respective Delinquent Tax Revolving Funds (\$20,132,432 at September 30, 2002) and the full faith and credit of the county.

The General Obligation Debt of the county is issued to pay for the construction of a new Community Mental Health Center repayable from building leases and patient revenues. In addition, ad valorem taxes can be levied if revenues are not sufficient to cover debt service requirements. In 1995, the voters approved a 16 million General Obligation Bond issued in 1996 for renovation of an arts and sports complex. Millage of .47 mills has been levied for the repayment of the bonds through the last bond payment in the year 2016. The full faith and credit of the county is pledged for repayment of the bonds. County Building Authority Bonds were used to build a new convention center in combination with a new 200-room hotel, to remodel the former Family Independence Agency building, to build a new County fairground, to build a new airport terminal, and to remodel the County Hall of Justice. Lease payments are pledged for the payment of annual debt service along with the full faith and credit of the county.

The total requirement for payment of principal and interest amount to \$87,133,631 and \$28,055,740, respectively, at September 30, 2002 as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2002-2005	\$12,019,354	\$3,800,366	\$21,264,277	\$5,236,175
2006-2010	8,665,000	4,636,818	11,075,000	4,961,508
2011-2015	11,295,000	2,800,552	5,045,000	2,987,500
2016-2020	7,365,000	780,971	4,250,000	1,906,975
2021-2025	1,055,000	52,375	4,250,000	850,000
2026	<u>                    </u>	<u>                    </u>	<u>850,000</u>	<u>42,500</u>
Total	<u>\$40,399,354</u>	<u>\$12,071,082</u>	<u>\$46,734,277</u>	<u>\$15,984,658</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 7 - LONG-TERM DEBT - Continued

Combined schedule of annual principal requirements for bonded debt outstanding at September 30, 2002

Year	Governmental Activities			Business-type Activities			Principal due every five years
	Special Assessments	General Obligation	Building Authority	Revenue Bonds	Building Authority	Delinquent Tax Notes	
2002	\$ 400,000	\$	\$	\$	\$	\$ 9,000,000	\$
2003	810,000	770,000	560,000	2,025,000	295,000	2,500,000	
2004	535,000	860,000	345,000	2,130,000	295,000		
2005	310,000	910,000	355,000	2,240,000	395,000		
2006	360,000	775,000	360,000	2,370,000	395,000		28,995,000
2007	360,000	850,000	365,000	2,510,000	400,000		
2008	410,000	925,000	415,000	2,655,000	400,000		
2009	410,000	1,005,000	430,000	850,000	410,000		
2010	460,000	1,095,000	445,000	850,000	235,000		
2011	485,000	1,185,000	285,000	850,000	250,000		18,535,000
2012	540,000	1,285,000	300,000	850,000	265,000		
2013	595,000	1,395,000	320,000	850,000	280,000		
2014	615,000	1,460,000	335,000	850,000			

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 7 - LONG TERM DEBT - Continued

Year	Governmental Activities			Business-type Activities			Principal due every five years
	Special Assessment	General Obligation	Building Authority	Revenue Bonds	Building Authority	Delinquent Tax Notes	
2015	\$ 640,000	\$1,500,000	\$ 355,000	\$850,000	\$	\$	\$
2016	665,000	1,505,000	375,000	850,000			16,680,000
2017	690,000		400,000	850,000			
2018	740,000		420,000	850,000			
2019	815,000		445,000	850,000			
2020	840,000		470,000	850,000			
2021	40,000		495,000	850,000			9,605,000
2022			520,000	850,000			
2023				850,000			
2024				850,000			
2025				850,000			
2026				850,000			4,770,000
Total all years	<u>\$10,720,000</u>	<u>\$15,520,000</u>	<u>\$7,995,000</u>	<u>\$29,230,000</u>	<u>\$3,620,000</u>	<u>\$11,500,000</u>	<u>\$78,585,000</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2002

NOTE 7 - LONG -TERM DEBT-Continued

The following fund balances represent long-term debt amounts available in other funds:

Governmental Type Funds	<u>\$2,484,678</u>
Designated for Debt Service	

NOTE 8 - PENSION PLAN

Plan Description

The County of Muskegon has a defined benefit pension plan for its employees that provides retirement, disability and death benefits to its members and beneficiaries. The plan is administered by the Municipal Employees Retirement System (MERS), an agent multiple employer pension plan created under Public Act 135 of 1945.

MERS issues a publicly available financial report that includes financial statements and required supplemental information for the County. This report may be obtained by writing to MERS, 1134 Municipal Way, Lansing , Michigan, 48917, or by calling (517) 703-9030.

Funding Policy

Members are required to contribute from 0-4 % of their annual covered salary. The County is required to contribute at an actuarially determined rate; the average current rate is 7.1 % of annual covered payroll. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners.

Annual Pension Cost

For 2002, the County's annual pension cost was \$2,687,000; however, no actual contribution was required because the plan is overfunded. The required contribution was determined as part of the December 31, 2000 actuarial valuation, using the entry age actuarial cost method. The actuarial assumptions include: a) 8% Investment Rate of Return (net of administrative expenses) and b) projected salary increases of 4.5-8.66% per year. The actuarial value of the County MERS 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 actuarial accrued liability has been overfunded for the past four years. Any future unfunded liability would be amortized over the next 30 years. The amortization period is open.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2002

NOTE 8 - PENSION PLAN-Continued

Three Year Trend Information  
(Dollar Amounts in Thousands)

<u>Ending</u>	<u>Pension Cost (APC)</u>	<u>of APC Contributed</u>	<u>Obligation</u>
12/31/00	\$ 2,964	100%	0
12/31/01	3,080	100%	0
12/31/02	2,687	100%	0

Analysis of Funding Progress

Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Liability (2)-(1)	(5) Annual Covered Payroll	(6) Ratio of Unfunded (Funding excess) to Covered Payroll (4)/(5)
1999	\$ 104,386,840	\$ 92,130,520	113 %	(\$12,256,320)	35,994,584	(34) %
2000	113,023,319	107,262,732	105 %	( 5,760,587)	37,642,513	(15) %
2001	118,605,823	115,733,438	102 %	( 2,872,385)	39,390,663	( 7) %

NOTE 9 - LEASES

The County leases certain office space and equipment under operating leases, which expire on various dates through 2002, with aggregate minimum monthly rentals of \$4,540. Rental expense under operating leases was \$924,433 for the year ended September 30, 2002.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the combined statements - Overview, of certain information concerning individual funds including:

(a) Individual fund interfund receivable and payable balances. Such balances at September 30 were:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund (1010)	\$7,025,797	Co-Op Reimb. Pros. (1150)	\$9,754
		Next Generation Implementation (1170)	94,316
		Marine Safety (1200)	178,042
		Sheriff Road Patrol (1210)	59,787
		School Liaison (1230)	31,759
		Prosecutor Family Court (2140)	997
		Friend of the Court (2150)	121,465
		Health (2210)	3,365
		Accommodations Tax (2300)	35,398
		Community Corrections (2640)	42,199
		Project Cornerstone (2650)	5,710
		Wagner-Peyser (2731)	103,746
		Governor's Career Scholarship (2732)	2,952
		Displaced Homemaker (2746)	720
		Economic Development Job Training (2750)	318,486

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

(a) Individual fund interfund receivable and payable balances - continued

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
		Food Stamp Program (2759)	58,089
		WIA Admin Pool (2760)	52,539
		WIA Adult Program (2761)	2,217
		WIA Youth Program (2762)	37,647
		WIA Dislocated Worker Program (2763)	10,291
		Welfare to Work (2764)	97,307
		Incumbent Worker Program (2768)	1,887
		Reed Act Funds (2769)	360,919
		Crime Victim's Rights (2800)	30,867
		Juvenile Accountability Incentive BG (2831)	7,704
		Community Gun Violence (2832)	19,275
		Cherry Hill Loan (2871)	1
		Remonumentation (2890)	6,219
		Child Care Facility (2920)	355,875
		Veterans Trust (2940)	10,607
		Heritage Landing Development (4180)	153,418
		Wickham Drive Expansion (4200)	<u>651,633</u>
		<b>Subtotal Governmental</b>	<b>2,865,191</b>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

(a) Individual fund interfund receivable and payable balances - continued

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
		Muskegon County Airport (5810)	2,183,154
		Muskegon Area Transit System (5880)	<u>1,977,452</u>
		<b>Subtotal Proprietary</b>	4,160,606
	<u><u>\$7,025,797</u></u>		<u><u>\$7,025,797</u></u>

b) Transfers in (out) balances. Such balances at September 30 were:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General (1010)	\$528,000	\$10,206,563
Co-Op Reimb.-Pros. (1150)	81,824	
Next Gen Implementation (1170)	88,174	
Emergency Services (1190)	171,420	
Marine Safety (1200)	59,977	
School Liaison (1230)	16,004	
Township Patrols (1240)	172,113	
Parks (2080)	40,000	21,062

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances - continued

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Family Court (2140)	150,332	
Friend of the Court (2150)	1,228,707	
Health Department (2210)	1,949,994	
Community Mental Health (2220)	214,613	
Managed Care (2222)	501,244	
Accommodations Tax (2300)		111,122
Parks Development (2411)	21,062	
Budget Stabilization (2570)	50,000	
Law Library (2610)	10,489	
Community Corrections (2640)	284,379	
Project Cornerstone (2650)	53,752	
Library (2710)	694,961	
Crime Victim's Rights (2800)	1,976	
Juv. Account. Incent. BG (2831)	10,357	
Community Gun Violence (2832)	5,109	
EDC Loan Revolving (2860)	12,627	20,000
Remonumentation Program	7,000	
Social Services (2910)	10,024	
Child Care Facility (2920)	3,074,991	

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances - continued

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Muskegon County EDC (2960)	2,220	
Convention Center Debt (3100)	111,122	
Hall of Justice (3130)	181,970	
Hall of Justice (4130)	450,000	1,335,604
Heritage Landing (4180)		357,405
Wickham Drive Expansion (4200)		12,627
Musk Twp Sewer/Water (4640)	424,055	
Public Improvement (4930)	550,000	111,127
Jail Expansion (4950)		18,211
Fairgrounds Operations (5083)	248,741	
Delinquent Tax Revolving (5168)		4,064,285
Delinquent Tax Revolving (5169)	5,775,505	1,326,741
Solid Waste Mgmt (5710)		424,056
Muskegon County Airport (5810)	1,092,776	
Muskegon Co. Airport Contributed Capital (5810)	131,126	
Northside Water O & M (5910)		72,500
Equipment Revolving (6660)		450,000
Drain Project (8010)	52,159	
Northside Water System (8719)	72,500	
	<u>\$18,531,303</u>	<u>\$18,531,303</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

c) Excess of expenditures over budget in individual funds

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
Next Generation Implementation (1170)	272,500	360,583
Prosecutor Family Court (2140)	167,667	171,608
Health Department (2210)	7,287,077	7,832,379
Project Cornerstone (2650)	98,507	103,005
Prosecutor Drug Fund (2672)	11,150	12,273
WIA Adult Program (2761)	777,710	884,793
WIA Dislocated Worker Program (2763)	368,524	522,611
Incumbent Worker Program (2768)	0	1,887
Reed Act Funds (2769)	0	1,534,709
WTW Youth Program (2770)	0	93,236
Juvenile Accountability (2831)	85,866	100,982
Psychiatric Facility Debt (3141)	257,795	257,958
Halmond Center Debt (3142/3143)	196,009	196,158

All expenditures over appropriations have either been paid by excess revenues, operating transfers from other funds or by the reductions of current fund balance.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

d) Individual fund advances to and from other funds

<u>Fund</u>	<u>Advances to other funds</u>	<u>Advances from other funds</u>
General Fund (1010)	\$618,618	
Solid Waste Management (5710)	164,053	
Muskegon County Airport (5810)		\$1,353,693
Drain Revolving (6010)		21,500
Central Stores (6330)		30,000
Equipment Revolving (6660)		731,171
Insurance (6770)	<u>1,353,693</u>	
	<u>\$2,136,364</u>	<u>\$2,136,364</u>

All advances are for capital purchases in the Airport and Equipment revolving funds that will be repaid as funds are made available in the respective funds receiving the advances. The Drain Revolving and Central Stores funds advances will only be repaid if the activities in these funds cease to occur or management determines that there is a better way to handle the activities.

NOTE 11- COMMITMENTS

The County has two \$1,000,000 letters of credit with a local financial institution to cover any possible shortfalls in the County's coverage of the solid waste and fly ash landfills. The statutory authority for these obligations is PA Act 451 of 1994, Section 324.11523 (a).

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 12- OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 7, the County provides post-retirement health care benefits, in accordance with County policies, to all employees who retire from the County on or after attaining the age of 55 with at least 15 years of service. Currently 308 retirees meet those eligibility requirements. The County pays up to 100 percent of the amount of premium (depending on length of service at time of retirement) for medical and hospitalization costs and reimburses retirees for a portion of their dental costs. The County also pays 100 percent of the premium for a Medicare supplement for each retiree eligible for Medicare. Expenditures for post-retirement health care benefits are recognized as retirees report claims and as invoices are received from the insurance carrier. A separate trust fund has been established and funded for the continued payment of these benefits for retirees. During the year, expenditures of \$1,877,957 were recognized for post-retirement health care. The amount of net assets available in the trust fund for future benefit payments was \$11,557,342 as of September 30, 2002.

NOTE 13 - 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 the County is partially self-insured for medical costs with a lifetime maximum exposure of \$1 million per participant. The County purchases commercial insurance for claims in excess of the stated coverages and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

All funds of the County participate in the program and make payments to the self-insurance fund based on experience estimates of the amounts needed to pay prior and current year claims and to establish a designation for catastrophic losses with the exception of Brookhaven Workers' Compensation claims which are funded directly by the department on actual claims paid. The designated amount at September 30, 2002 was \$4,686,946. The claim's liability of \$4,070,500 reported in the fund at September 30, 2002, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

Changes in the funds claims liability amount in fiscal 2002 and 2001 were:

	<u>Beginning of year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claim Payments</u>	<u>Balance at end of year</u>
2002	\$3,597,556	\$7,829,232	(\$7,356,288)	\$4,070,500
2001	3,197,933	6,472,725	(6,073,102)	3,597,556

NOTE 14 - CLOSURE AND POST-CLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its Solid Waste landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfills stops 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 \$5.9 million reported as landfill closure and post-closure care liability at September 30, 2002 represents the cumulative amount reported to date based on the use of 41 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 14 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$14.5 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 2002. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance unanticipated closure and post-closure care. The County is in compliance with these requirements at September 30, 2002. 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

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 15 - PRIOR YEAR'S DEBT DEFEASANCE

In prior years, the County has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability. As of September 30, 2002, the amount of defeased debt outstanding but removed amounted to \$13,350,000 and will be closed on September 1, 2004.

NOTE 16 - DISCRETE ENTITY NOTES

The following note relates to the Muskegon County Road Commission notes as they appear in their report. The notes are presented here to assure fair disclosure for those items as they appear in this comprehensive annual financial report.

(a) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Compensated Absences

The commission accrues unused portions of vacations pay in the period the fund liability is incurred. As permitted by GASB 16, the vesting method is used to accrue the sick leave liability. The liability is based on the sick leave accumulated at year-end by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. The current portion of this debt is estimated based on historical trends. Only the accrued vacation and sick leave payable that is expected to be liquidated with expendable available resources in the governmental fund is accrued in that fund. The entire current and long-term liabilities associated with compensated absences are shown only in the government-wide financial statements.

(b) CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

At year-end, the carrying amount of the commission's deposits was \$2,340,330 and the bank balance was \$2,499,769. Of the bank balance, \$200,000 was covered by federal depository insurance and \$2,299,769 was uninsured and uncollateralized.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

(b) CASH, CASH EQUIVALENTS AND INVESTMENTS - continued

Deposits - continued

The commission's deposits are categorized below according to level of credit risk: (1) insured or collateralized deposits with securities held by the commission or by its agent in the commission's name, (2) collateralized deposits with securities held by the pledging financial institution's trust department or agent in the commission's name, (3) uncollateralized deposits including any bank balances that are collateralized with securities held by the pledging financial institution's trust department or agent not in the commission's name.

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Bank balance</u>	<u>Carrying Amount</u>
Demand Deposits	\$ -	\$ -	\$124,646	\$124,646	(\$34,793)
Time Deposits	<u>200,000</u>	<u>          </u>	<u>2,175,123</u>	<u>2,375,123</u>	<u>2,375,123</u>
	<u>\$200,000</u>	<u>\$0</u>	<u>\$2,299,769</u>	<u>\$2,499,769</u>	<u>\$2,340,330</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 16 - DISCRETE ENTITY NOTES - Continued

c) FIXED ASSETS

A summary of changes in capital assets for the year follows:

	Balance October 1, <u>2001</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>September 30,</u> <u>2002</u>
<b>Capital Assets not being depreciated</b>				
Land and improvements	<u>\$2,366,537</u>	<u>\$1,017,500</u>	<u>\$ -</u>	<u>\$3,384,037</u>
<b>Other Capital Assets</b>				
Buildings	5,398,007	35,500	421,231	5,012,276
Road equipment	7,593,401	653,290	264,014	7,982,677
Other equipment	1,298,002	76,872	101,210	1,273,664
Infrastructure and improvements	<u>3,479,322</u>	<u>3,470,437</u>	<u>-</u>	<u>6,949,759</u>
Total capital assets at historic costs	17,768,732	4,236,099	786,455	21,218,376
<b>Accumulated depreciation</b>				
Buildings	(2,366,490)	(180,635)	(358,987)	(2,188,138)
Road equipment	(6,369,289)	(597,453)	(264,014)	(6,702,728)
Other equipment	(993,132)	(101,539)	(85,131)	(1,009,540)
Infrastructure and improvements	<u>(184,171)</u>	<u>(188,693)</u>	<u>-</u>	<u>(372,864)</u>
Total accumulated depreciation	<u>(9,913,082)</u>	<u>(1,068,320)</u>	<u>(708,132)</u>	<u>(10,273,270)</u>
Total Net Capital Assets	<u>\$10,222,187</u>	<u>\$4,185,279</u>	<u>\$78,323</u>	<u>\$14,329,143</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 16 - DISCRETE ENTITY NOTES - Continued

(d) Depreciation expense was charged to functions as follows:

Primary road	\$ 496,561
Local Road	465,355
State trunkline	81,479
Administrative	<u>24,925</u>
Total depreciation expense	<u>\$ 1,068,320</u>

(e) LONG-TERM DEBT

Long-term debt consisted of the following as of September 30, 2002:

Long Term Compensated Absences \$309,261

A summary of long-term compensated absences transactions for the year ended September 30, 2002 follows:

Balance at beginning of year	\$303,289
Additions	5,972
Deductions	<u>-</u>
Balance at end of year	<u>\$309,261</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 17 - RECONCILIATION OF CAPITAL OUTLAY

Capital outlay expenditures for governmental funds differ from amounts capitalized. The differences are detailed as follows:

Total capital purchases as reported in the governmental funds	\$ 6,562,895
Adjustments	
Donated Assets	1,822,062
Prior year purchases	385,663
Capital projects not County owned	(1,736,380)
Timing differences	78,217
Internal service purchases	<u>1,263,543</u>
Net Assets capitalized	<u>\$ 8,376,000</u>

NOTE 18 - SUBSEQUENT EVENT

In December 2002, a accidental fire occurred at the Muskegon County Solid Waste site. A building and the equipment inside were destroyed with an estimated value of \$2,000,000. Insurance claims have been filed and the County expects to recover the appropriate amounts on the claim. Any remaining cost to replace the building and equipment will be borne by the Solid Waste fund of which there are sufficient reserves for replacement.

NOTE 19 - COMMITMENTS

The Muskegon County Wastewater System is currently expanding its distribution system to the northern part of the County. This \$8,500,000 commitment has been funded with the issuance of revenue bonds and is currently staying with budgeted amounts. We anticipate no additional amounts will need to be appropriated to complete the project.

NOTE 20 - RESTATEMENT OF FUND BALANCES/ RETAINED EARNINGS

The State of Michigan recently approved a change in the accounting for certain fund types. Delinquent tax funds have been moved from the internal service type fund to the enterprise fund type. Perpetual care funds for cemeteries and medical care facilities have been identified as permanent type funds. Beginning internal service fund retained earnings has been decreased by \$6,062,185 to \$11,591,106 and enterprise fund beginning retained earnings has been increased by \$6,062,185 to \$103,199,409. Governmental funds beginning fund balances have been increased by \$75,318 to \$8,788,634.

## **Required Supplementary Information**

### *County of Muskegon*

#### **Budgetary Information**

Through its budget, the County allocates resources and establishes priorities based on submissions of requests by its departments and outside agencies. An annual budget assures that the County uses its limited resources efficiently and effectively. The budget also assures that its highest priority projects are completed. The budgetary basis of accounting is GAAP.

The annual budget serves from October 1<sup>st</sup> to September 30<sup>th</sup> of each year. It establishes the base for sound financial planning. It also provides performance measures and controls to permit the evaluation and adjustment of County resources as the need arises.

The County of Muskegon's budget has four major categories; personnel, supplies, services, and capital outlay. Personnel, supplies and services are recurring expenses (operational) while capital outlay are expenditures that are one time in nature. The capital outlay costs are for those items of a permanent nature that have a unit cost of \$1,000 or more.

The budgetary process starts in February when departments receive budget worksheets with assumptions that project expenses for the coming year. Departments add/change/modify these worksheets based on changing priorities and submit them to the budget department. The budget department reviews the worksheets for accuracy, and in conjunction with administration, suggest changes based on priorities as defined by the Board of Commissioners and revenue constraints. After administration review, departments go before the Board in a public meeting to discuss its priorities. In August, a draft budget is sent to the Ways and Means committee for final review. In August or September, the Board approves the final budget for the coming fiscal year.

#### **Budgetary highlights**

Interest rates dropped significantly since the September 11<sup>th</sup> attack. The County's projected interest earnings were reduced by \$405,000

Property taxes were adjusted downward for board of review and Tax Tribunal adjustments. Additionally, there was a revaluation of utility transmission and distribution property due to a court judgement.

A \$6,500,000 bond was issued to recover costs on remodeling of Heritage landing and for major renovation of the Hall of Justice building.

## Required Supplementary Information

### Budgetary amendments to the original budget

During the year, events occurred that caused our priorities to shift and therefore our budget to be modified. Some of the significant items were:

- Reduced the Brookhaven appropriation to zero resulting from an additional intergovernmental transfer
- The appropriation to the Child Care fund was increased to cover increased costs of the Family Independence Agency Foster Care for services to abused and neglected children and also increased Juvenile Delinquent costs in State institutions.
- Appropriations to the Airport increased by \$157,000 for increased operating expenses
- Removed the gypsy moth program for 2002 when it was determined that spraying would not be needed
- Airport construction budget was increased \$2,000,000 for increased land acquisition costs for the runway expansion
- Added \$17,000,000 to the wastewater budget for the construction and bonding of the North pipeline and the repair of a 66 inch forcemain
- Reduced the Home rehabilitation budget by \$312,527 because the project ended in mid year.

The expenditures over budget in the Community Mental Health fund were covered by additional medicaid revenues

The expenditures over budget in the Brookhaven fund were covered by increased fees for services.

Fund description	Budget	Actual
Community Mental Health(2220)	\$14,621,669	\$15,022,288
Brookhaven (2900)	\$36,919,499	\$38,617,400

Required Supplementary Information

**County of Muskegon**

*Schedule of Revenues, Expenditures and Changes in*

*Fund Balances - Budget and Actual (continued)*

*Major Governmental Funds*

*Year Ended September 30, 2002*

	General Fund - 1010				Community Mental Health - 2220			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>								
Taxes	\$ 21,046,115	\$ 20,667,830	\$ 19,571,024	(\$ 1,096,806)	\$ -	\$ -	\$ -	\$ -
Licenses and permits	8,400	18,600	11,884	(6,716)	-	-	-	-
Operating grants and contributions	6,064,939	6,008,429	6,012,779	4,350	3,882,543	3,877,578	4,278,111	400,533
Charges for services	7,649,788	7,622,148	7,873,087	250,939	11,084,059	9,938,112	10,322,360	384,248
Fines and forfeitures	871,667	815,000	854,490	39,490	-	-	-	-
Investment income	1,005,216	600,500	659,448	58,948	245,000	195,000	138,312	(56,688)
Rentals	124,876	153,293	164,286	10,993	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Contributions from private sources	175,000	-	-	-	-	15,200	78,775	63,575
Other	270,800	290,550	330,505	39,955	13,300	25,300	27,091	1,791
<b>Total revenues</b>	<b>37,216,801</b>	<b>36,176,350</b>	<b>35,477,503</b>	<b>(698,847)</b>	<b>15,224,902</b>	<b>14,051,190</b>	<b>14,844,649</b>	<b>793,459</b>
<b>Expenditures</b>								
<b>Current operations</b>								
Legislative	351,535	335,442	323,109	12,333	-	-	-	-
Judicial	5,568,371	5,484,127	5,425,093	59,034	-	-	-	-
General County government	11,542,485	11,626,531	11,163,839	462,692	-	-	-	-
Public safety	8,032,182	8,127,718	8,107,056	20,662	-	-	-	-
Health	-	-	-	-	15,691,596	14,560,969	14,915,738	(354,769)
Welfare	-	-	-	-	-	-	-	-
Culture	191,802	189,984	178,254	11,730	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	914,044	330,795	298,693	32,102	-	-	-	-
Capital outlay	7,100	67,925	66,756	1,169	59,100	60,700	106,550	(45,850)
<b>Debt service</b>								
Principal payments	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>26,607,519</b>	<b>26,162,522</b>	<b>25,562,800</b>	<b>599,722</b>	<b>15,750,696</b>	<b>14,621,669</b>	<b>15,022,288</b>	<b>(400,619)</b>
<b>Revenues over (under) expenditures</b>	<b>10,609,282</b>	<b>10,013,828</b>	<b>9,914,703</b>	<b>(99,125)</b>	<b>(525,794)</b>	<b>(570,479)</b>	<b>(177,639)</b>	<b>392,840</b>
<b>Other financing sources (uses)</b>								
Sales of Fixed Assets	-	-	4,052	4,052	-	-	-	-
Transfers in	-	-	528,000	528,000	525,794	570,479	214,613	(355,866)
Transfers (out)	(10,653,132)	(10,111,751)	(10,206,563)	(94,812)	-	-	-	-
	<b>(10,653,132)</b>	<b>(10,111,751)</b>	<b>(9,674,511)</b>	<b>437,240</b>	<b>525,794</b>	<b>570,479</b>	<b>214,613</b>	<b>(355,866)</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(43,850)</b>	<b>(97,923)</b>	<b>240,192</b>	<b>338,115</b>	<b>-</b>	<b>-</b>	<b>36,974</b>	<b>36,974</b>
<b>Fund balance at beginning of year</b>	<b>6,937,428</b>	<b>6,937,428</b>	<b>6,937,428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 6,893,578</b>	<b>\$ 6,839,505</b>	<b>\$ 7,177,620</b>	<b>\$ 338,115</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,974</b>	<b>\$ 36,974</b>

Required Supplementary Information

**County of Muskegon**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balances - Budget and Actual (continued)*  
**Major Governmental Funds**  
Year Ended September 30, 2002

	Managed Care - 2222				Brookhaven Medical Care Facility - 2900			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Operating grants and contributions	5,486,655	5,086,271	3,834,515	(1,251,756)	-	-	-	-
Charges for services	15,159,353	16,581,050	16,374,657	(206,393)	11,024,045	37,649,155	39,141,183	1,492,028
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	112,300	62,300	58,127	(4,173)	200	300	20,337	20,037
Rentals	-	-	-	-	10,000	10,000	11,738	1,738
Special assessments	-	-	-	-	-	-	-	-
Contributions from private sources	79,500	74,600	53,749	(20,851)	150	150	295	145
Other	663,009	1,346,943	750,569	(596,374)	-	-	365	365
<b>Total revenues</b>	<b>21,500,817</b>	<b>23,151,164</b>	<b>21,071,617</b>	<b>(2,079,547)</b>	<b>11,034,395</b>	<b>37,659,605</b>	<b>39,173,918</b>	<b>1,514,313</b>
<b>Expenditures</b>								
Current operations								
Legislative	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Health	21,526,742	23,237,121	21,308,411	1,928,710	10,800,402	36,919,499	38,617,400	(1,697,901)
Welfare	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Capital outlay	233,725	236,725	267,035	(30,310)	402,000	180,680	180,476	204
Debt service								
Principal payments	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>21,760,467</b>	<b>23,473,846</b>	<b>21,575,446</b>	<b>1,898,400</b>	<b>11,202,402</b>	<b>37,100,179</b>	<b>38,797,876</b>	<b>(1,697,697)</b>
<b>Revenues over (under) expenditures</b>	<b>(259,650)</b>	<b>(322,682)</b>	<b>(503,829)</b>	<b>(181,147)</b>	<b>(168,007)</b>	<b>559,426</b>	<b>376,042</b>	<b>(183,384)</b>
<b>Other financing sources (uses)</b>								
Sales of Fixed Assets	21,650	37,250	2,585	(34,665)	-	-	-	-
Transfers in	238,000	285,432	501,244	215,812	198,007	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
	<b>259,650</b>	<b>322,682</b>	<b>503,829</b>	<b>181,147</b>	<b>198,007</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>559,426</b>	<b>376,042</b>	<b>(183,384)</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,215,310</b>	<b>1,215,310</b>	<b>1,215,310</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,245,310</b>	<b>\$ 1,774,736</b>	<b>\$ 1,591,352</b>	<b>(\$ 183,384)</b>

*County of Muskegon*

*Municipal Employees Retirement System of Michigan  
Schedule of Funding Progress  
Year ended September 30, 2002*

<b>Actuarial Valuation Date</b>	<b>Actual Asset Value</b>	<b>Entry Age Actuarial Accrued Liability</b>	<b>Funded (Overfunded) Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>Funded (Overfunded) Actuarial Liability as Percentage of Covered Payroll Payroll</b>
12/31/99	104,386,840	92,130,520	(12,256,320)	113.3%	35,994,584	(34.1) %
12/31/00	113,023,319	107,262,732	(5,760,587)	105.4%	37,642,513	(15.3) %
12/31/01	118,605,823	115,733,438	(2,872,385)	102.5%	39,390,663	(7.3) %

## SPECIAL REVENUE FUNDS

The Special Revenue Funds account for specific activities (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Cooperative Reimbursement-Prosecutor (1150)--to account for monies granted to the county by the Michigan Family Independence Agency for the prosecuting attorney's department to provide services to aid ADC recipients in accordance with the HHS approved state plan to establish paternity and securing child support.

Next Generation Implementation (1170)- - to account for monies granted to the county by the state and appropriated from the General Fund for the purpose of installing an information center and central calendar system with an increase in collections initiative.

Emergency Services (1190)--to account for monies granted to the county by the state and appropriated from the General Fund for the purpose of maintaining a department to provide essential services during emergency or disaster conditions.

Marine Safety (1200)--to account for monies granted to the county by the Department of Natural Resources and appropriated from the General Fund for the purpose of establishing a comprehensive marine safety program in the county and to provide sheriff's patrol and protection for the county's Lake Michigan shoreline and inland lakes and waterways.

Sheriff Road Patrol (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.

School Liaison (1230)--to account for monies granted by the federal government in providing salary and benefits for an office to work with Ravenna Public Schools.

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

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

Prosecutor Family Court (2140)--to account for monies received by the county from the Family Independence Agency to hire personnel who are assigned to the Family Court Division to represent children in abuse/neglect cases.

Friend of the Court (2150)--to account for monies received by Muskegon County from state grants. The money is used to assist in establishing paternity and securing child support payments.

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.

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.

Parks Development (2411)--to account for monies received by Muskegon County from state and local grants to finance improvements to various county parks.

Sewage Facilities Step One (2430)--to account for monies granted to the county by the Environmental Protection Agency to finance the facilities planning that will ultimately end with building sewer lines to connect with the county's wastewater system. The facilities plan is a comprehensive study of the collection system and treatment facilities that may be required to serve a given area for the next twenty years.

CDBG Home Rehab (2470)--to account for federal pass-through funds from the State Department of Commerce to administer community development as contracted with the West Michigan Shoreline Regional Development Commission. These funds are mostly targeted at households at or below 50% of the area median income.

Budget Stabilization (2570)--to account for monies appropriated from the county for the purpose of maintaining the current level and quality of public service. Funds are to be used only in the occurrence of an identified shortfall during any single budget period.

Law Library (2610)--to account for monies set aside for the purpose of maintaining a law library.

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.

Project Cornerstone (2650)--to account for monies granted to the county from the federal government in collaboration with local governments to hire personnel who are dedicated to work full time with police, public agencies, and private citizens/organizations to assist in maintaining and improving target areas quality of life issues.

WMET (2670)--to account for monies earmarked to provide drug law enforcement under the provisions of Public Act 135 of 1985.

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

Library (2710)--to account for monies which are set aside for the county library. The county library was established in 1938, under Act 138 of PA 1917, and operates nine branches to promote the development of county citizens. County appropriations, state grants and district court penal fines account for the major revenues in this fund.

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

Governor's Career Scholarship (2732)--to account for monies received from the state to provide student scholarships for education and training to existing and future workers in occupations identified as high-skill, high-wage, and high-demand.

TAA/NAFTA (2733)--to account for federal pass-through monies that provide training and economic assistance to workers dislocated as a result of increased foreign trade.

Marketing Grant (2736)--State funds used to create an enhanced awareness within the community for the local career development system and the programs under the purview of the Workforce Development Board.

Reemployment Services (2738)--State funds used to provide services to companies to help employ laid off workers from their organization.

Displaced Homemaker (2746)--to account for federal pass-through grant monies targeted towards vocational and classroom training, institutional and job seeking skills, job placement assistance, referrals, job development, outreach and recruitment services for workers dislocated from employment.

Economic Development Job Training (2750)--to account for state grant monies to expand educational opportunities, encourage the creation of new jobs, retain existing workers in a changing workplace and strengthen the State of Michigan's economic base.

Workfirst (2751)--to account for federal pass-through funds from the Michigan Family Independence Agency to provide occupational skilled training for Muskegon and Oceana county adults.

State Level Service Center Operations (2757)--State funds used to concert with the federal funds to support the activities of the local one-stop Service Centers.

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

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)--federal 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)--federal 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.

Welfare to Work (2764)--federal funds used to assist the welfare population in obtaining gainful employment.

Strategic Planning (2765)--to account for monies 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)--funds allocated by the state to supplement WIA Youth Program activities.

WIA Service Center Operations (2767)--federal program that provides funds to support the activities of local one-stop Service Centers.

Incumbent Worker Program (2768)--to account for federal pass-through funds for assistance to companies in averting layoffs by providing upgraded skills and training to current employees.

Reed Act Funds (2769)--to account for federal pass-through funds to supplement a portion of the existing Work First and Service Center Operations.

WTW Youth Program (2770)--to account for federal pass-through funds for temporary assistance for needy families for the purpose of providing educational and employment services to youth ages 14-19.

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.

Partnership for Adult Learning (2820)—State of Michigan Adult Education Funds used to provide adults with basic education skills, high school completion, English as a second language and workplace literacy skills.

Juvenile Accountability Incentive Block Grant (2831)--to account for monies to hire personnel to prosecute for juvenile crimes. Remaining funds will cover drug testing for adjudicated individuals, training, substance abuse assessments and group treatment.

Community Gun Violence (2832)--to account for federal pass-through funds for developing and sharing information on crimes involving guns across local, state and federal information systems

EDC Loan Revolving (2860)--to account for monies granted from the State of Michigan Department of Commerce to accommodate loans made by the County of Muskegon Economic Development Commission to area businesses for expansion of those businesses.

Cherry Hill Loan (2871)--to account for monies from the state for the purpose of encouraging economic development and business expansion in the county.

Rambusch-Fuchs CDBG Grant (2873)--to account for monies from the federal government for use in the construction of a commercial lighting company in the County of Muskegon.

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

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

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

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

Muskegon County Economic Development Commission (2960)-- to account for monies received from the county general fund for the primary purpose of encouraging business expansion in the county.

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

Victim Restitution (2980)--to account for fines from juvenile traffic offenders and used to repay victims for property damaged by those juveniles.

## **DEBT SERVICE FUNDS**

Debt services funds are permitted rather than required. The funds listed here are required because financial resources are being accumulated for principal and interest payments maturing in future years.

Convention Center Debt (3100)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the convention center.

Quality of Life Debt (3110, 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.

Psychiatric Facility Debt (3141)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the psychiatric facility.

Halmond Center Debt (3142/3143)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Halmond Center.

## **CAPITAL PROJECTS FUNDS**

The use of capital project funds is permitted rather than required. Capital project funds are used to report major capital acquisitions or construction separately from the County's ongoing operations. Capital projects for proprietary and trust funds are reported within their respective funds.

Hall of Justice (4130)--to account for revenues and expenditures associated with the renovation of the building previously known as the County Building into a Hall of Justice.

Heritage Landing (4180)--to account for revenues and expenditures associated with the improvement and development of the county's lakefront property.

Wickham Drive Expansion (4200)--to account for revenues and expenditures associated with the reconstruction and expansion of Wickham Drive.

Fruitport Township Project (4615)--to account for revenues and expenditures for the extension of the sewer lines within Fruitport.

Fruitport/Norton Shores Sewer Project (4618)--to account for revenues and expenditures for constructing a water supply system facility to serve property in the Fruitport Charter Township and the City of Norton Shores located in the County of Muskegon.

Muskegon Township Sewer/Water (4640)--to account for revenues and expenditures for extending a water and sewer supply system facility to serve property in Muskegon Charter Township located in the County of Muskegon.

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.

Jail Expansion (4950)--to account for resources used for the expansion of the jail.

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. It is restricted to capital improvement expenditures.

Drain Revolving (6010)--to account for monies spent by the Drain Commissioner prior to actual levies for specific drain work. The monies for this purpose are loaned from the county's General Fund and replenished as assessments are made.

Drain Projects (8010)--to account for the monies received and expended by the Drain Commissioner for the purpose of creating, extending, and repairing drains within the county.

### **PERMANENT FUNDS**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings from investments within the fund can be used to support the programs that they were originally designed.

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

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

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2002

	SPECIAL REVENUE							
	Cooperative Reimbursement Prosecutor (1150)	Next Generation Implementation (1170)	Emergency Services (1190)	Marine Safety (1200)	Sheriff Road Patrol (1210)	School Liaison (1230)	Township Patrols (1240)	Park Fund (2080)
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 17,058	\$ -	\$ -	\$ -	\$ 47,225	\$ 179,995
Receivables								
Accounts	-	-	2,286	-	-	33,892	22,306	-
Assessments receivable-deferred	-	-	-	-	-	-	-	-
Intergovernmental	19,228	105,841	15,872	182,286	86,773	-	-	-
Accrued Interest	-	186	-	-	-	-	-	330
Prepaid Items	-	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-	-
	<u>\$ 19,228</u>	<u>\$ 106,027</u>	<u>\$ 35,216</u>	<u>\$ 182,286</u>	<u>\$ 86,773</u>	<u>\$ 33,892</u>	<u>\$ 69,531</u>	<u>\$ 180,325</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Accounts Payable	\$ 2,345	\$ 6,194	\$ 7,440	\$ 171	\$ 23,224	\$ -	\$ 95	\$ 11,473
Intergovernmental payable	-	-	-	-	-	-	-	-
Accrued liabilities	7,129	5,517	2,123	4,073	3,762	2,133	5,931	5,991
Due to other funds	9,754	94,316	-	178,042	59,787	31,759	-	-
Long-term advance from other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	63,505	-
	<u>19,228</u>	<u>106,027</u>	<u>9,563</u>	<u>182,286</u>	<u>86,773</u>	<u>33,892</u>	<u>69,531</u>	<u>17,464</u>
Fund balance (deficit)								
Reserved for long-term note receivable	-	-	-	-	-	-	-	-
Unreserved								
Designated for programs	-	-	25,653	-	-	-	-	162,861
Undesignated	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>25,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,861</u>
	<u>\$ 19,228</u>	<u>\$ 106,027</u>	<u>\$ 35,216</u>	<u>\$ 182,286</u>	<u>\$ 86,773</u>	<u>\$ 33,892</u>	<u>\$ 69,531</u>	<u>\$ 180,325</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2002

	SPECIAL REVENUE							
	Prosecutor Family Court (2140)	Friend of the Court (2150)	Health Department (2210)	Accommodations Tax (2300)	Parks Development (2411)	Sewage Facilities Step One (2430)	CDBG Home Rehab (2470)	Budget Stabilization (2570)
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 287,073	\$ -	\$ 2,383	\$ 45,585	\$ -	\$ 1,350,000
Receivables								
Accounts	-	401	41,906	65,479	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-	-
Intergovernmental	4,868	451,933	219,000	-	-	-	-	-
Accrued Interest	-	-	-	32	-	228	-	-
Prepaid Items	-	-	12,069	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-	-
	<u>\$ 4,868</u>	<u>\$ 452,334</u>	<u>\$ 560,048</u>	<u>\$ 65,511</u>	<u>\$ 2,383</u>	<u>\$ 45,813</u>	<u>\$ -</u>	<u>\$ 1,350,000</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Accounts Payable	\$ -	\$ 36,367	\$ 256,929	\$ 21,525	\$ 2,260	\$ -	\$ -	\$ -
Intergovernmental payable	-	-	10,312	-	-	-	-	-
Accrued liabilities	3,871	82,833	172,039	5,953	-	-	-	-
Due to other funds	997	121,465	3,365	35,398	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	3,000	-	-	-	-	-
	<u>4,868</u>	<u>240,665</u>	<u>445,645</u>	<u>62,876</u>	<u>2,260</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit)								
Reserved for long-term note receivable	-	-	-	-	-	-	-	-
Unreserved								
Designated for programs	-	211,669	114,403	2,635	123	45,813	-	-
Undesignated	-	-	-	-	-	-	-	1,350,000
	<u>-</u>	<u>211,669</u>	<u>114,403</u>	<u>2,635</u>	<u>123</u>	<u>45,813</u>	<u>-</u>	<u>1,350,000</u>
	<u>\$ 4,868</u>	<u>\$ 452,334</u>	<u>\$ 560,048</u>	<u>\$ 65,511</u>	<u>\$ 2,383</u>	<u>\$ 45,813</u>	<u>\$ -</u>	<u>\$ 1,350,000</u>

**County of Muskegon**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2002**

**SPECIAL REVENUE**

	<b>Law Library (2610)</b>	<b>Community Corrections (2640)</b>	<b>Project Cornerstone (2650)</b>	<b>WMET (2670)</b>	<b>TNT Drug (2671)</b>	<b>Prosecutor Drug Fund (2672)</b>	<b>Library (2710)</b>	<b>Wagner Peyser (2731)</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 2,177	\$ -	\$ -	\$ 16,646	\$ 158,943	\$ 37,009	\$ 61,687	\$ -
Receivables								
Accounts	-	440	-	-	-	-	1,402	-
Assessments receivable-deferred	-	-	-	-	-	-	-	-
Intergovernmental	-	137,371	7,987	-	-	-	-	103,958
Accrued Interest	-	-	-	1	725	178	-	-
Prepaid Items	-	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-	-
	<u>\$ 2,177</u>	<u>\$ 137,811</u>	<u>\$ 7,987</u>	<u>\$ 16,647</u>	<u>\$ 159,668</u>	<u>\$ 37,187</u>	<u>\$ 63,089</u>	<u>\$ 103,958</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Accounts Payable	\$ 2,177	\$ 84,867	\$ -	\$ -	\$ -	\$ 2,015	\$ 5,760	\$ 212
Intergovernmental payable	-	-	-	-	-	-	-	-
Accrued liabilities	-	9,333	2,277	-	-	-	29,151	-
Due to other funds	-	42,199	5,710	-	-	-	-	103,746
Long-term advance from other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
	<u>2,177</u>	<u>136,399</u>	<u>7,987</u>	<u>-</u>	<u>-</u>	<u>2,015</u>	<u>34,911</u>	<u>103,958</u>
Fund balance (deficit)								
Reserved for long-term note receivable	-	-	-	-	-	-	-	-
Unreserved								
Designated for programs	-	1,412	-	16,647	159,668	35,172	28,178	-
Undesignated	-	-	-	-	-	-	-	-
	<u>-</u>	<u>1,412</u>	<u>-</u>	<u>16,647</u>	<u>159,668</u>	<u>35,172</u>	<u>28,178</u>	<u>-</u>
	<u>\$ 2,177</u>	<u>\$ 137,811</u>	<u>\$ 7,987</u>	<u>\$ 16,647</u>	<u>\$ 159,668</u>	<u>\$ 37,187</u>	<u>\$ 63,089</u>	<u>\$ 103,958</u>

**County of Muskegon**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2002**

	SPECIAL REVENUE							
	Governor's Career Scholarship (2732)	TAA/NAFTA (2733)	Marketing Grant (2736)	Reemployment Services (2738)	Displaced Homemaker (2746)	Economic Development Job Training (2750)	Workfirst (2751)	State Level Serv. Center Operations (2757)
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 47,645	\$ 8,315	\$ -	\$ -	\$ 131,281	\$ -
Receivables								
Accounts	-	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-	-
Intergovernmental	3,817	-	-	1,685	1,996	391,444	300,372	-
Accrued Interest	-	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-	-
	<u>\$ 3,817</u>	<u>\$ -</u>	<u>\$ 47,645</u>	<u>\$ 10,000</u>	<u>\$ 1,996</u>	<u>\$ 391,444</u>	<u>\$ 431,653</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Accounts Payable	\$ 865	\$ -	\$ 47,645	\$ 10,000	\$ 1,276	\$ 72,958	\$ 431,653	\$ -
Intergovernmental payable	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	2,952	-	-	-	720	318,486	-	-
Long-term advance from other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
	<u>3,817</u>	<u>-</u>	<u>47,645</u>	<u>10,000</u>	<u>1,996</u>	<u>391,444</u>	<u>431,653</u>	<u>-</u>
Fund balance (deficit)								
Reserved for long-term note receivable	-	-	-	-	-	-	-	-
Unreserved								
Designated for programs	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-
	<u>\$ 3,817</u>	<u>\$ -</u>	<u>\$ 47,645</u>	<u>\$ 10,000</u>	<u>\$ 1,996</u>	<u>\$ 391,444</u>	<u>\$ 431,653</u>	<u>\$ -</u>

**County of Muskegon**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2002**

**SPECIAL REVENUE**

	<u>Food Stamp Program (2759)</u>	<u>WIA Admin Pool (2760)</u>	<u>WIA Adult Program (2761)</u>	<u>WIA Youth Programs (2762)</u>	<u>WIA Dislocated Wkr Program (2763)</u>	<u>Welfare to Work (2764)</u>	<u>Strategic Planning (2765)</u>	<u>WIA Youth Statewide (2766)</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,183	\$ 11,068
Receivables								
Accounts	-	874	-	18,929	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-	-
Intergovernmental	62,544	75,163	121,204	35,351	143,178	245,859	-	914
Accrued Interest	-	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-	-
	<u>\$ 62,544</u>	<u>\$ 76,037</u>	<u>\$ 121,204</u>	<u>\$ 54,280</u>	<u>\$ 143,178</u>	<u>\$ 245,859</u>	<u>\$ 72,183</u>	<u>\$ 11,982</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Accounts Payable	\$ 4,455	\$ 873	\$ 118,987	\$ 16,321	\$ 132,887	\$ 148,552	\$ 72,183	\$ 11,982
Intergovernmental payable	-	-	-	-	-	-	-	-
Accrued liabilities	-	22,625	-	312	-	-	-	-
Due to other funds	58,089	52,539	2,217	37,647	10,291	97,307	-	-
Long-term advance from other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
	<u>62,544</u>	<u>76,037</u>	<u>121,204</u>	<u>54,280</u>	<u>143,178</u>	<u>245,859</u>	<u>72,183</u>	<u>11,982</u>
Fund balance (deficit)								
Reserved for long-term note receivable	-	-	-	-	-	-	-	-
Unreserved								
Designated for programs	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-
	<u>\$ 62,544</u>	<u>\$ 76,037</u>	<u>\$ 121,204</u>	<u>\$ 54,280</u>	<u>\$ 143,178</u>	<u>\$ 245,859</u>	<u>\$ 72,183</u>	<u>\$ 11,982</u>

**County of Muskegon**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2002**

**SPECIAL REVENUE**

	<b>WIA Service Center Ops (2767)</b>	<b>Incumbent Worker Program (2768)</b>	<b>Reed Act Funds (2769)</b>	<b>WTW Youth Program (2770)</b>	<b>Crime Victims' Rights (2800)</b>	<b>Partner for Adult Learning(PAL) (2820)</b>	<b>Juv. Account- ability Incentive Block Grant (2831)</b>	<b>Community Gun Violence (2832)</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 94	\$ -	\$ 639,088	\$ -	\$ -
Receivables								
Accounts	-	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-	-
Intergovernmental	-	1,887	1,038,736	13,416	34,328	-	15,211	20,437
Accrued Interest	-	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 1,887</u>	<u>\$ 1,038,736</u>	<u>\$ 13,510</u>	<u>\$ 34,328</u>	<u>\$ 639,088</u>	<u>\$ 15,211</u>	<u>\$ 20,437</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Accounts Payable	\$ -	\$ -	\$ 677,817	\$ 13,510	\$ 247	\$ 249,883	\$ 5,425	\$ -
Intergovernmental payable	-	-	-	-	-	389,205	54	-
Accrued liabilities	-	-	-	-	3,214	-	2,028	1,162
Due to other funds	-	1,887	360,919	-	30,867	-	7,704	19,275
Long-term advance from other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
	<u>-</u>	<u>1,887</u>	<u>1,038,736</u>	<u>13,510</u>	<u>34,328</u>	<u>639,088</u>	<u>15,211</u>	<u>20,437</u>
Fund balance (deficit)								
Reserved for long-term note receivable	-	-	-	-	-	-	-	-
Unreserved								
Designated for programs	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 1,887</u>	<u>\$ 1,038,736</u>	<u>\$ 13,510</u>	<u>\$ 34,328</u>	<u>\$ 639,088</u>	<u>\$ 15,211</u>	<u>\$ 20,437</u>

**County of Muskegon**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2002**

**SPECIAL REVENUE**

	<b>EDC Loan Revolving (2860)</b>	<b>Cherry Hill Loan (2871)</b>	<b>Rambusch-Fuchs CDBG Grant (2873)</b>	<b>Remonumen- tation Program (2890)</b>	<b>Social Welfare (2910)</b>	<b>Child Care Facility (2920)</b>	<b>Veteran's Trust (2940)</b>	<b>Muskegon Cnty Economic Dev. Commission (2960)</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 337,411	\$ 40,800	\$ 3,549	\$ -	\$ 12,552	\$ 550	\$ -	\$ 60
Receivables								
Accounts	6,311	-	-	-	20,000	8,734	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	6,219	138,647	543,232	10,707	-
Accrued Interest	1,859	206	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-	-
	<u>\$ 345,581</u>	<u>\$ 41,006</u>	<u>\$ 3,549</u>	<u>\$ 6,219</u>	<u>\$ 171,199</u>	<u>\$ 552,516</u>	<u>\$ 10,707</u>	<u>\$ 60</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 8,199	\$ 142,434	\$ 100	\$ 60
Intergovernmental payable	-	-	-	-	163,000	-	-	-
Accrued liabilities	-	-	-	-	-	54,207	-	-
Due to other funds	-	1	-	6,219	-	355,875	10,607	-
Long-term advance from other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
	<u>-</u>	<u>1</u>	<u>-</u>	<u>6,219</u>	<u>171,199</u>	<u>552,516</u>	<u>10,707</u>	<u>60</u>
Fund balance (deficit)								
Reserved for long-term note receivable	-	-	-	-	-	-	-	-
Unreserved								
Designated for programs	345,581	41,005	3,549	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-
	<u>345,581</u>	<u>41,005</u>	<u>3,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 345,581</u>	<u>\$ 41,006</u>	<u>\$ 3,549</u>	<u>\$ 6,219</u>	<u>\$ 171,199</u>	<u>\$ 552,516</u>	<u>\$ 10,707</u>	<u>\$ 60</u>

**County of Muskegon**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2002**

	SPECIAL REVENUE		DEBT SERVICE				CAPITAL PROJECTS	
	Mental Health Buildings (2970)	Victim Restitution (2980)	Convention Center Debt (3100)	Quality of Life Debt (3110)/(3111)	Hall of Justice Debt (3130)	Psychiatric Facility Debt (3141)	Halmond Center Debt (3142)/(3143)	Hall of Justice (4130)
<b>ASSETS</b>								
Cash and cash equivalents	\$ 463,135	\$ 28,535	\$ 197,976	\$ 691,742	\$ 199,428	\$ 77,834	\$ 120,955	\$ 1,256,507
Receivables								
Accounts	-	45	-	-	-	9,466	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Accrued Interest	2,113	137	1,068	6,687	-	354	561	12,761
Prepaid Items	-	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-	-
	<u>\$ 465,248</u>	<u>\$ 28,717</u>	<u>\$ 199,044</u>	<u>\$ 698,429</u>	<u>\$ 199,428</u>	<u>\$ 87,654</u>	<u>\$ 121,516</u>	<u>\$ 1,269,268</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Accounts Payable	\$ 31,536	\$ 1,500	\$ -	\$ -	\$ -	\$ -	-	\$ 159,619
Intergovernmental payable	-	-	-	-	-	-	-	-
Accrued liabilities	549	-	3,875	57,959	199,428	11,318	23,603	-
Due to other funds	-	-	-	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-	-
Deferred revenue	314,216	-	-	-	-	-	-	-
	<u>346,301</u>	<u>1,500</u>	<u>3,875</u>	<u>57,959</u>	<u>199,428</u>	<u>11,318</u>	<u>23,603</u>	<u>159,619</u>
Fund balance (deficit)								
Reserved for long-term note receivable	-	-	-	-	-	-	-	-
Unreserved								
Designated for programs	118,947	-	195,169	640,470	-	76,336	97,913	1,109,649
Undesignated	-	27,217	-	-	-	-	-	-
	<u>118,947</u>	<u>27,217</u>	<u>195,169</u>	<u>640,470</u>	<u>-</u>	<u>76,336</u>	<u>97,913</u>	<u>1,109,649</u>
	<u>\$ 465,248</u>	<u>\$ 28,717</u>	<u>\$ 199,044</u>	<u>\$ 698,429</u>	<u>\$ 199,428</u>	<u>\$ 87,654</u>	<u>\$ 121,516</u>	<u>\$ 1,269,268</u>

**County of Muskegon**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2002**

**CAPITAL PROJECTS**

	<u>Heritage Landing (4180)</u>	<u>Wickham Drive Expansion (4200)</u>	<u>Fruitport Twp Project (4615)</u>	<u>Fruitport/NS Sewer Project (4618)</u>	<u>Muskegon Township Sewer/Water (4640)</u>	<u>Public Improvement (4930)</u>	<u>Jail Expansion (4950)</u>	<u>Capital Improvement (4960)</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 129,416	\$ 2,007,702	\$ 332,431	\$ 1,459,868	\$ 41	\$ 38,637
Receivables								
Accounts	-	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-	-
Intergovernmental	159,636	652,090	-	-	-	60,303	(1)	-
Accrued Interest	2,314	-	711	13,031	-	5,516	-	-
Prepaid Items	-	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	500,000	-	300,000
	<u>\$ 161,950</u>	<u>\$ 652,090</u>	<u>\$ 130,127</u>	<u>\$ 2,020,733</u>	<u>\$ 332,431</u>	<u>\$ 2,025,687</u>	<u>\$ 40</u>	<u>\$ 338,637</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Accounts Payable	\$ -	\$ -	\$ -	\$ 27,555	\$ 332,395	\$ 120	\$ 40	\$ -
Intergovernmental payable	-	421	-	-	-	-	-	-
Accrued liabilities	-	36	-	183	36	-	-	-
Due to other funds	153,418	651,633	-	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
	<u>153,418</u>	<u>652,090</u>	<u>-</u>	<u>27,738</u>	<u>332,431</u>	<u>120</u>	<u>40</u>	<u>-</u>
Fund balance (deficit)								
Reserved for long-term note receivable	-	-	-	-	-	500,000	-	300,000
Unreserved								
Designated for programs	8,532	-	130,127	1,992,995	-	1,525,567	-	38,637
Undesignated	-	-	-	-	-	-	-	-
	<u>8,532</u>	<u>-</u>	<u>130,127</u>	<u>1,992,995</u>	<u>-</u>	<u>2,025,567</u>	<u>-</u>	<u>338,637</u>
	<u>\$ 161,950</u>	<u>\$ 652,090</u>	<u>\$ 130,127</u>	<u>\$ 2,020,733</u>	<u>\$ 332,431</u>	<u>\$ 2,025,687</u>	<u>\$ 40</u>	<u>\$ 338,637</u>

**County of Muskegon**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2002**

	CAPITAL PROJECTS		PERMANENT FUNDS		Total All Funds
	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 21,212	\$ 282,201	\$ 33,621	\$ 33,436	\$ 10,885,054
Receivables					
Accounts	-	-	-	-	232,471
Assessments receivable-deferred	288	-	-	-	288
Intergovernmental	-	-	-	-	5,413,492
Accrued Interest	-	1,203	-	188	50,389
Prepaid Items	-	-	-	-	12,069
Long-term Note receivable	-	-	-	-	800,000
	<u>\$ 21,500</u>	<u>\$ 283,404</u>	<u>\$ 33,621</u>	<u>\$ 33,624</u>	<u>\$ 17,393,763</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	3,184,131
Intergovernmental payable	-	-	-	-	562,992
Accrued liabilities	-	3,249	-	-	725,900
Due to other funds	-	-	-	-	2,865,191
Long-term advance from other funds	21,500	-	-	-	21,500
Deferred revenue	-	-	-	-	380,721
	<u>21,500</u>	<u>3,249</u>	<u>-</u>	<u>-</u>	<u>7,740,435</u>
Fund balance (deficit)					800,000
Reserved for long-term note receivable	-	-	-	-	
Unreserved					
Designated for programs	-	280,155	33,621	33,624	7,476,111
Undesignated	-	-	-	-	1,377,217
	<u>-</u>	<u>280,155</u>	<u>33,621</u>	<u>33,624</u>	<u>9,653,328</u>
	<u>\$ 21,500</u>	<u>\$ 283,404</u>	<u>\$ 33,621</u>	<u>\$ 33,624</u>	<u>\$ 17,393,763</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2002

	SPECIAL REVENUE							
	Cooperative Reimbursement Prosecutor (1150)	Next Generation Implementation (1170)	Emergency Services (1190)	Marine Safety (1200)	Sheriff Road Patrol (1210)	School Liaison (1230)	Township Patrols (1240)	Park Fund (2080)
<b>Revenues</b>								
Grants								
State	\$ 64,615	\$ 270,000	\$ -	\$ 146,144	\$ 185,941	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	30,862	-	-
Federal pass-thru	126,981	-	96,027	-	-	-	-	-
Local Units	-	-	-	-	-	82,727	187,015	-
Charges for services rendered	-	-	-	-	-	-	-	567,791
Taxes	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-	-
Investment Income	-	2,409	162	-	-	-	-	1,305
Rentals	-	-	-	-	-	-	-	-
Other	-	-	20,188	362	-	-	-	562
	<u>191,596</u>	<u>272,409</u>	<u>116,377</u>	<u>146,506</u>	<u>185,941</u>	<u>113,589</u>	<u>187,015</u>	<u>569,658</u>
<b>Expenditures</b>								
Current Operations								
Judicial	-	334,112	-	-	-	-	-	-
General County government	273,420	-	-	-	-	-	-	-
Public Safety	-	-	240,762	150,832	151,636	129,593	359,128	-
Health	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	499,556
Capital Outlay	-	26,471	50,463	59,336	34,305	-	-	6,216
Debt Services								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>273,420</u>	<u>360,583</u>	<u>291,225</u>	<u>210,168</u>	<u>185,941</u>	<u>129,593</u>	<u>359,128</u>	<u>505,772</u>
Revenues over (under) expenditures	(81,824)	(88,174)	(174,848)	(63,662)	-	(16,004)	(172,113)	63,886
<b>Other financing sources (uses)</b>								
Transfers in	81,824	88,174	171,420	59,977	-	16,004	172,113	40,000
Bond Proceeds	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	3,685	-	-	-	500
Transfers (out)	-	-	-	-	-	-	-	(21,062)
Total other financing sources (uses)	<u>81,824</u>	<u>88,174</u>	<u>171,420</u>	<u>63,662</u>	<u>-</u>	<u>16,004</u>	<u>172,113</u>	<u>19,438</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	(3,428)	-	-	-	-	83,324
<b>Fund balance at beginning of year</b>	-	-	29,081	-	-	-	-	79,537
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,861</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2002

	SPECIAL REVENUE							
	Prosecutor Family Court (2140)	Friend of the Court (2150)	Health Department (2210)	Accommodations Tax (2300)	Parks Development (2411)	Sewage Facilities Step One (2430)	CDBG Home Rehab (2470)	Budget Stabilization (2570)
<b>Revenues</b>								
Grants								
State	\$ 21,276	\$ 860,843	\$ 1,841,441	\$ -	\$ 7,948	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-
Federal pass-thru	-	1,468,877	1,770,507	-	-	-	62,473	-
Local Units	-	-	12,400	-	-	-	-	-
Charges for services rendered	-	212,057	991,302	-	-	-	-	-
Taxes	-	-	282,717	742,861	-	-	-	-
Contributions from private sources	-	-	2,020	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-	-
Investment Income	-	-	-	225	-	1,362	-	-
Rentals	-	-	440	-	-	-	-	-
Other	-	53,794	1,095,015	-	-	-	-	-
	<u>21,276</u>	<u>2,595,571</u>	<u>5,995,842</u>	<u>743,086</u>	<u>7,948</u>	<u>1,362</u>	<u>62,473</u>	<u>-</u>
<b>Expenditures</b>								
Current Operations								
Judicial	-	1,090,830	-	-	-	-	-	-
General County government	171,608	2,743,561	-	629,329	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Health	-	-	7,816,272	-	-	-	-	-
Welfare	-	-	-	-	-	-	62,473	-
Culture	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	28,887	-	-	-
Capital Outlay	-	1,742	16,107	-	-	-	-	-
Debt Services								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>171,608</u>	<u>3,836,133</u>	<u>7,832,379</u>	<u>629,329</u>	<u>28,887</u>	<u>-</u>	<u>62,473</u>	<u>-</u>
Revenues over (under) expenditures	(150,332)	(1,240,562)	(1,836,537)	113,757	(20,939)	1,362	-	-
<b>Other financing sources (uses)</b>								
Transfers in	150,332	1,228,707	1,949,994	-	21,062	-	-	50,000
Bond Proceeds	-	-	-	-	-	-	-	-
Sale of Assets	-	800	-	-	-	-	-	-
Transfers (out)	-	-	-	(111,122)	-	-	-	-
Total other financing sources (uses)	<u>150,332</u>	<u>1,229,507</u>	<u>1,949,994</u>	<u>(111,122)</u>	<u>21,062</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	(11,055)	113,457	2,635	123	1,362	-	50,000
Fund balance at beginning of year	-	222,724	946	-	-	44,451	-	1,300,000
Fund balance at end of year	<u>\$ -</u>	<u>\$ 211,669</u>	<u>\$ 114,403</u>	<u>\$ 2,635</u>	<u>\$ 123</u>	<u>\$ 45,813</u>	<u>\$ -</u>	<u>\$ 1,350,000</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2002

SPECIAL REVENUE

	Law Library (2610)	Community Corrections (2640)	Project Cornerstone (2650)	WMET (2670)	TNT Drug (2671)	Prosecutor Drug Fund (2672)	Library (2710)	Wagner Peyser (2731)
<b>Revenues</b>								
Grants								
State	\$ -	\$ 776,689	\$ -	\$ -	\$ -	\$ -	\$ 148,089	\$ -
Federal	-	-	49,253	-	-	-	3,153	-
Federal pass-thru	-	-	-	-	-	-	-	373,484
Local Units	-	-	-	-	-	-	31,553	-
Charges for services rendered	81	131,157	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	6,500	-	-	38,816	-
Fines and forfeiture	6,500	-	-	-	21,938	1,600	498,938	-
Investment Income	-	-	-	-	4,201	1,072	-	-
Rentals	-	-	-	-	-	-	6,364	-
Other	-	-	-	-	44,622	9,915	117,622	-
	<u>6,581</u>	<u>907,846</u>	<u>49,253</u>	<u>6,500</u>	<u>70,761</u>	<u>12,587</u>	<u>844,535</u>	<u>373,484</u>
<b>Expenditures</b>								
Current Operations								
Judicial	17,070	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-
Public Safety	-	1,192,225	103,005	858	27,609	12,273	-	-
Health	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	373,484
Culture	-	-	-	-	-	-	1,537,211	-
Recreation	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	9,548	-	-	-
Debt Services								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>17,070</u>	<u>1,192,225</u>	<u>103,005</u>	<u>858</u>	<u>37,157</u>	<u>12,273</u>	<u>1,537,211</u>	<u>373,484</u>
Revenues over (under) expenditures	(10,489)	(284,379)	(53,752)	5,642	33,604	314	(692,676)	-
Other financing sources (uses)								
Transfers in	10,489	284,379	53,752	-	-	-	694,961	-
Bond Proceeds	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>10,489</u>	<u>284,379</u>	<u>53,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>694,961</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	5,642	33,604	314	2,285	-
Fund balance at beginning of year	-	1,412	-	11,005	126,064	34,858	25,893	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,412</u>	<u>\$ -</u>	<u>\$ 16,647</u>	<u>\$ 159,668</u>	<u>\$ 35,172</u>	<u>\$ 28,178</u>	<u>\$ -</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2002

	SPECIAL REVENUE							
	Governor's Career Scholarship (2732)	TAA/NAFTA (2733)	Marketing Grant (2736)	Reemployment Services (2738)	Displaced Homemaker (2746)	Economic Development Job Training (2750)	Workfirst (2751)	State Level Serv. Center Operations (2757)
<b>Revenues</b>								
Grants								
State	\$ 2,898	\$ -	\$ 49,338	\$ 37,863	\$ -	\$ 245,738	\$ -	\$ 5,779
Federal	-	-	-	-	-	-	-	-
Federal pass-thru	2,794	102,469	-	-	13,196	-	1,772,672	-
Local Units	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	(7)	-
Rentals	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>5,692</u>	<u>102,469</u>	<u>49,338</u>	<u>37,863</u>	<u>13,196</u>	<u>245,738</u>	<u>1,772,665</u>	<u>5,779</u>
<b>Expenditures</b>								
Current Operations								
Judicial	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Welfare	5,692	102,469	49,338	37,863	13,196	245,738	1,771,303	5,779
Culture	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	1,362	-
Debt Services								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>5,692</u>	<u>102,469</u>	<u>49,338</u>	<u>37,863</u>	<u>13,196</u>	<u>245,738</u>	<u>1,772,665</u>	<u>5,779</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2002

	SPECIAL REVENUE							
	Food Stamp Program (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)	Welfare to Work (2764)	Strategic Planning (2765)	WIA Youth Statewide (2766)
<b>Revenues</b>								
Grants								
State	\$ 111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -
Federal	-	-	-	-	-	-	-	-
Federal pass-thru	83,609	210,410	884,603	651,630	520,596	436,304	-	15,980
Local Units	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-	-
Investment Income	-	-	190	163	2,015	363	-	-
Rentals	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>83,720</u>	<u>210,410</u>	<u>884,793</u>	<u>651,793</u>	<u>522,611</u>	<u>436,667</u>	<u>75,000</u>	<u>15,980</u>
<b>Expenditures</b>								
Current Operations								
Judicial	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Welfare	83,720	210,410	884,793	651,793	522,611	436,667	75,000	15,980
Culture	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Services								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>83,720</u>	<u>210,410</u>	<u>884,793</u>	<u>651,793</u>	<u>522,611</u>	<u>436,667</u>	<u>75,000</u>	<u>15,980</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2002

	SPECIAL REVENUE							
	WIA Service Center Ops (2767)	Incumbent Worker Program (2768)	Reed Act Funds (2769)	WTW Youth Program (2770)	Crime Victims' Rights (2800)	Partner for Adult Learning(PAL) (2820)	Juv. Account- ability Incentive Block Grant (2831)	Community Gun Violence (2832)
<b>Revenues</b>								
Grants								
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380,849	\$ -	\$ -
Federal	-	-	-	-	119,208	-	-	-
Federal pass-thru	26,097	1,887	1,534,709	93,236	-	-	90,625	20,437
Local Units	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	27	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>26,097</u>	<u>1,887</u>	<u>1,534,709</u>	<u>93,236</u>	<u>119,235</u>	<u>380,849</u>	<u>90,625</u>	<u>20,437</u>
<b>Expenditures</b>								
Current Operations								
Judicial	-	-	-	-	-	-	96,851	25,546
General County government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	121,211	-	-	-
Health	-	-	-	-	-	-	-	-
Welfare	26,097	1,887	1,534,709	93,236	-	380,849	-	-
Culture	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	4,131	-
Debt Services								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>26,097</u>	<u>1,887</u>	<u>1,534,709</u>	<u>93,236</u>	<u>121,211</u>	<u>380,849</u>	<u>100,982</u>	<u>25,546</u>
Revenues over (under) expenditures	-	-	-	-	(1,976)	-	(10,357)	(5,109)
<b>Other financing sources (uses)</b>								
Transfers in	-	-	-	-	1,976	-	10,357	5,109
Bond Proceeds	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,976</u>	<u>-</u>	<u>10,357</u>	<u>5,109</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2002

	SPECIAL REVENUE							
	EDC Loan Revolving (2860)	Cherry Hill Loan (2871)	Rambusch-Fuchs CDBG Grant (2873)	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Trust (2940)	Muskegon Cnty Economic Dev. Commission (2960)
<b>Revenues</b>								
Grants								
State	\$ -	\$ -	\$ -	\$ 69,338	\$ 944,733	\$ 2,088,231	\$ 29,914	\$ -
Federal	-	-	-	-	-	25,846	-	-
Federal pass-thru	-	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-	-
Investment Income	59,753	1,227	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-
Other	-	-	-	-	60,526	153,175	-	-
	<u>59,753</u>	<u>1,227</u>	<u>-</u>	<u>69,338</u>	<u>1,005,259</u>	<u>2,267,252</u>	<u>29,914</u>	<u>-</u>
<b>Expenditures</b>								
Current Operations								
Judicial	-	-	-	-	-	-	-	-
General County government	41,815	289	-	-	-	-	-	2,220
Public Safety	-	-	-	-	-	-	-	-
Health	-	-	-	-	1,015,283	5,328,297	-	-
Welfare	-	-	-	-	-	-	29,914	-
Culture	-	-	-	76,338	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	13,946	-	-
Debt Services								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>41,815</u>	<u>289</u>	<u>-</u>	<u>76,338</u>	<u>1,015,283</u>	<u>5,342,243</u>	<u>29,914</u>	<u>2,220</u>
Revenues over (under) expenditures	17,938	938	-	(7,000)	(10,024)	(3,074,991)	-	(2,220)
<b>Other financing sources (uses)</b>								
Transfers in	12,627	-	-	7,000	10,024	3,074,991	-	2,220
Bond Proceeds	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-
Transfers (out)	(20,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(7,373)</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>10,024</u>	<u>3,074,991</u>	<u>-</u>	<u>2,220</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>10,565</b>	<b>938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance at beginning of year	335,016	40,067	3,549	-	-	-	-	-
Fund balance at end of year	<u>\$ 345,581</u>	<u>\$ 41,005</u>	<u>\$ 3,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2002

	SPECIAL REVENUE		DEBT SERVICE				CAPITAL PROJECTS	
	Mental Health Buildings (2970)	Victim Restitution (2980)	Convention Center Debt (3100)	Quality of Life Debt (3110)/(3111)	Hall of Justice Debt (3130)	Psychiatric Facility Debt (3141)	Halmond Center Debt (3142)/(3143)	Hall of Justice (4130)
<b>Revenues</b>								
Grants								
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-	-
Charges for services rendered	-	13,998	-	-	-	-	-	-
Taxes	-	-	-	1,416,548	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-	-
Investment Income	11,945	809	8,436	32,505	-	2,320	3,639	61,390
Rentals	313,860	-	-	-	-	255,801	189,107	-
Other	83,299	-	-	-	-	-	-	-
	<u>409,104</u>	<u>14,807</u>	<u>8,436</u>	<u>1,449,053</u>	<u>-</u>	<u>258,121</u>	<u>192,746</u>	<u>61,390</u>
<b>Expenditures</b>								
Current Operations								
Judicial	-	-	-	-	-	-	-	-
General County government	-	10,012	-	-	312	-	-	250,773
Public Safety	-	-	-	-	-	-	-	-
Health	306,502	-	-	-	-	383	1,210	-
Welfare	-	-	-	-	-	-	-	-
Culture	-	-	618	83	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	2,446,780
Debt Services								
Principal	-	-	250,000	485,000	-	225,000	135,000	-
Interest	-	-	26,938	728,384	181,658	32,575	59,948	-
Other	-	-	-	-	-	-	-	-
	<u>306,502</u>	<u>10,012</u>	<u>277,556</u>	<u>1,213,467</u>	<u>181,970</u>	<u>257,958</u>	<u>196,158</u>	<u>2,697,553</u>
Revenues over (under) expenditures	102,602	4,795	(269,120)	235,586	(181,970)	163	(3,412)	(2,636,163)
Other financing sources (uses)								
Transfers in	-	-	111,122	-	181,970	-	-	450,000
Bond Proceeds	-	-	-	-	-	-	-	4,631,416
Sale of Assets	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	(1,335,604)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>111,122</u>	<u>-</u>	<u>181,970</u>	<u>-</u>	<u>-</u>	<u>3,745,812</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	102,602	4,795	(157,998)	235,586	-	163	(3,412)	1,109,649
Fund balance at beginning of year	16,345	22,422	353,167	404,884	-	76,173	101,325	-
Fund balance at end of year	<u>\$ 118,947</u>	<u>\$ 27,217</u>	<u>\$ 195,169</u>	<u>\$ 640,470</u>	<u>\$ -</u>	<u>\$ 76,336</u>	<u>\$ 97,913</u>	<u>\$ 1,109,649</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2002

	CAPITAL PROJECTS							
	Heritage Landing (4180)	Wickham Drive Expansion (4200)	Fruitport Twp Project (4615)	Fruitport/NS Sewer Project (4618)	Muskegon Township Sewer/Water (4640)	Public Improvement (4930)	Jail Expansion (4950)	Capital Improvement (4960)
<b>Revenues</b>								
Grants								
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-
Federal pass-thru	-	137,815	-	-	-	60,303	-	-
Local Units	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-	-
Investment Income	12,013	-	4,023	82,671	-	33,296	-	-
Rentals	-	-	-	-	-	25,000	-	-
Other	-	-	-	-	-	-	-	-
	<u>12,013</u>	<u>137,815</u>	<u>4,023</u>	<u>82,671</u>	<u>-</u>	<u>118,599</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>								
Current Operations								
Judicial	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Health	-	1,756	9,627	107,720	11,257	-	-	-
Welfare	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-
Recreation	29,993	-	-	-	-	-	-	-
Capital Outlay	955,684	123,432	-	1,200,150	412,798	60,303	519,304	-
Debt Services								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	688	-	165
	<u>985,677</u>	<u>125,188</u>	<u>9,627</u>	<u>1,307,870</u>	<u>424,055</u>	<u>60,991</u>	<u>519,304</u>	<u>165</u>
Revenues over (under) expenditures	(973,664)	12,627	(5,604)	(1,225,199)	(424,055)	57,608	(519,304)	(165)
Other financing sources (uses)								
Transfers in	-	-	-	-	424,055	550,000	-	-
Bond Proceeds	1,331,069	-	-	-	-	-	537,515	-
Sale of Assets	-	-	-	-	-	50	-	-
Transfers (out)	(357,405)	(12,627)	-	-	-	(111,127)	(18,211)	-
Total other financing sources (uses)	<u>973,664</u>	<u>(12,627)</u>	<u>-</u>	<u>-</u>	<u>424,055</u>	<u>438,923</u>	<u>519,304</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>(5,604)</b>	<b>(1,225,199)</b>	<b>-</b>	<b>496,531</b>	<b>-</b>	<b>(165)</b>
Fund balance at beginning of year	8,532	-	135,731	3,218,194	-	1,529,036	-	338,802
Fund balance at end of year	<u>\$ 8,532</u>	<u>\$ -</u>	<u>\$ 130,127</u>	<u>\$ 1,992,995</u>	<u>\$ -</u>	<u>\$ 2,025,567</u>	<u>\$ -</u>	<u>\$ 338,637</u>

**COUNTY OF MUSKEGON**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2002

	CAPITAL PROJECTS		PERMANENT FUNDS		Total All Funds
	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	
<b>Revenues</b>					
Grants					
State	\$ -	\$ -	\$ -	\$ -	\$ 8,252,778
Federal	-	-	-	-	228,322
Federal pass-thru	-	-	-	-	10,557,721
Local Units	-	-	-	-	313,695
Charges for services rendered	-	27,052	-	-	1,943,438
Taxes	-	-	-	-	2,442,126
Contributions from private sources	-	-	-	-	47,363
Fines and forfeiture	-	-	-	-	528,976
Investment Income	-	7,371	1,198	1,166	337,222
Rentals	-	-	-	-	790,572
Other	-	-	-	-	1,639,080
	<u>-</u>	<u>34,423</u>	<u>1,198</u>	<u>1,166</u>	<u>27,081,293</u>
<b>Expenditures</b>					
Current Operations					
Judicial	-	-	-	-	1,564,409
General County government	-	-	409	10,028	4,133,776
Public Safety	-	-	-	-	2,489,132
Health	-	-	-	-	14,598,307
Welfare	-	-	-	-	7,615,001
Culture	-	-	-	-	1,614,250
Recreation	-	-	-	-	558,436
Capital Outlay	-	-	-	-	5,942,078
Debt Services					
Principal	-	-	-	-	1,095,000
Interest	-	-	-	-	1,029,503
Other	-	60,529	-	-	61,382
	<u>-</u>	<u>60,529</u>	<u>409</u>	<u>10,028</u>	<u>40,701,274</u>
Revenues over (under) expenditures	-	(26,106)	789	(8,862)	(13,619,981)
<b>Other financing sources (uses)</b>					
Transfers in	-	52,159	-	-	9,966,798
Bond Proceeds	-	-	-	-	6,500,000
Sale of Assets	-	-	-	-	5,035
Transfers (out)	-	-	-	-	(1,987,158)
Total other financing sources (uses)	<u>-</u>	<u>52,159</u>	<u>-</u>	<u>-</u>	<u>14,484,675</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>-</u>	<u>26,053</u>	<u>789</u>	<u>(8,862)</u>	<u>864,694</u>
Fund balance at beginning of year	-	254,102	32,832	42,486	8,788,634
Fund balance at end of year	<u>\$ -</u>	<u>\$ 280,155</u>	<u>\$ 33,621</u>	<u>\$ 33,624</u>	<u>\$ 9,653,328</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Cooperative Reimbursement Prosecutor (1150)			Next Generation Implementation (1170)			Emergency Services (1190)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 200,765	\$ 64,615	(\$ 136,150)	\$ 270,000	\$ 270,000	\$ -	\$ 76,725	\$ -	(\$ 76,725)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	126,981	126,981	-	-	-	33,817	96,027	62,210
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	2,500	2,409	(91)	-	162	162
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	28,000	20,188	(7,812)
	<u>200,765</u>	<u>191,596</u>	<u>(9,169)</u>	<u>272,500</u>	<u>272,409</u>	<u>(91)</u>	<u>138,542</u>	<u>116,377</u>	<u>(22,165)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	249,500	334,112	(84,612)	-	-	-
General County government	279,956	273,420	6,536	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	233,436	240,762	(7,326)
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	-	-	-	23,000	26,471	(3,471)	72,231	50,463	21,768
	<u>279,956</u>	<u>273,420</u>	<u>6,536</u>	<u>272,500</u>	<u>360,583</u>	<u>(88,083)</u>	<u>305,667</u>	<u>291,225</u>	<u>14,442</u>
<b>Revenues over (under) expenditures</b>	<b>(79,191)</b>	<b>(81,824)</b>	<b>(2,633)</b>	<b>-</b>	<b>(88,174)</b>	<b>(88,174)</b>	<b>(167,125)</b>	<b>(174,848)</b>	<b>(7,723)</b>
<b>Other financing sources (uses)</b>									
Transfers in	79,191	81,824	2,633	-	88,174	88,174	167,125	171,420	4,295
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>79,191</b>	<b>81,824</b>	<b>2,633</b>	<b>-</b>	<b>88,174</b>	<b>88,174</b>	<b>167,125</b>	<b>171,420</b>	<b>4,295</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,428)</b>	<b>(3,428)</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,081</b>	<b>29,081</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,081</b>	<b>\$ 25,653</b>	<b>(\$ 3,428)</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Marine Safety (1200)			Sheriff Road Patrol (1210)			School Liaison (1230)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 149,331	\$ 146,144	(\$ 3,187)	\$ 196,931	\$ 185,941	(\$ 10,990)	\$ -	\$ -	\$ -
Federal	13,279	-	(13,279)	-	-	-	30,862	30,862	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	85,201	82,727	(2,474)
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	382	362	(20)	-	-	-	-	-	-
	<u>162,992</u>	<u>146,506</u>	<u>(16,486)</u>	<u>196,931</u>	<u>185,941</u>	<u>(10,990)</u>	<u>116,063</u>	<u>113,589</u>	<u>(2,474)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	172,993	150,832	22,161	156,931	151,636	5,295	132,447	129,593	2,854
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	61,789	59,336	2,453	40,000	34,305	5,695	-	-	-
	<u>234,782</u>	<u>210,168</u>	<u>24,614</u>	<u>196,931</u>	<u>185,941</u>	<u>10,990</u>	<u>132,447</u>	<u>129,593</u>	<u>2,854</u>
Revenues over (under) expenditures	(71,790)	(63,662)	8,128	-	-	-	(16,384)	(16,004)	380
<b>Other financing sources (uses)</b>									
Transfers in	71,790	59,977	(11,813)	-	-	-	16,384	16,004	(380)
Sale of Assets	-	3,685	3,685	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>71,790</u>	<u>63,662</u>	<u>(8,128)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,384</u>	<u>16,004</u>	<u>(380)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Township Patrols (1240)			Park Fund (2080)			Prosecutor Family Court (2140)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,594	\$ 21,276	(\$ 50,318)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	187,015	187,015	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	555,000	567,791	12,791	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	750	1,305	555	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	562	562	-	-	-
	<u>187,015</u>	<u>187,015</u>	<u>-</u>	<u>555,750</u>	<u>569,658</u>	<u>13,908</u>	<u>71,594</u>	<u>21,276</u>	<u>(50,318)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	167,667	171,608	(3,941)
Public safety	373,742	359,128	14,614	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	535,944	499,556	36,388	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>373,742</u>	<u>359,128</u>	<u>14,614</u>	<u>540,660</u>	<u>505,772</u>	<u>34,888</u>	<u>167,667</u>	<u>171,608</u>	<u>(3,941)</u>
<b>Revenues over (under) expenditures</b>	<b>(186,727)</b>	<b>(172,113)</b>	<b>14,614</b>	<b>15,090</b>	<b>63,886</b>	<b>48,796</b>	<b>(96,073)</b>	<b>(150,332)</b>	<b>(54,259)</b>
<b>Other financing sources (uses)</b>									
Transfers in	186,727	172,113	(14,614)	40,000	40,000	-	96,073	150,332	54,259
Sale of Assets	-	-	-	-	500	500	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(48,000)	(21,062)	26,938	-	-	-
<b>Total other financing sources (uses)</b>	<b>186,727</b>	<b>172,113</b>	<b>(14,614)</b>	<b>(8,000)</b>	<b>19,438</b>	<b>27,438</b>	<b>96,073</b>	<b>150,332</b>	<b>54,259</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,090</b>	<b>83,324</b>	<b>76,234</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,537</b>	<b>79,537</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 86,627</b>	<b>\$ 162,861</b>	<b>\$ 76,234</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2002**

	Friend of the Court (2150)			Health Department (2210)			Accommodations Tax (2300)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 2,057,664	\$ 860,843	(\$ 1,196,821)	\$ 3,469,071	\$ 1,841,441	(\$ 1,627,630)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	475,000	1,468,877	993,877	-	1,770,507	1,770,507	-	-	-
Local units	-	-	-	12,400	12,400	-	-	-	-
Charges for services rendered	241,525	212,057	(29,468)	892,735	991,302	98,567	-	-	-
Contributions from private sources	-	-	-	100	2,020	1,920	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	200	225	25
Taxes	-	-	-	255,150	282,717	27,567	800,120	742,861	(57,259)
Rentals	-	-	-	400	440	40	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	45,000	53,794	8,794	707,627	1,095,015	387,388	-	-	-
	<u>2,819,189</u>	<u>2,595,571</u>	<u>(223,618)</u>	<u>5,337,483</u>	<u>5,995,842</u>	<u>658,359</u>	<u>800,320</u>	<u>743,086</u>	<u>(57,234)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	1,128,679	1,090,830	37,849	-	-	-	-	-	-
General County government	2,744,089	2,743,561	528	-	-	-	669,139	629,329	39,810
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	7,258,032	7,816,272	(558,240)	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	3,125	1,742	1,383	29,045	16,107	12,938	-	-	-
	<u>3,875,893</u>	<u>3,836,133</u>	<u>39,760</u>	<u>7,287,077</u>	<u>7,832,379</u>	<u>(545,302)</u>	<u>669,139</u>	<u>629,329</u>	<u>39,810</u>
<b>Revenues over (under) expenditures</b>	<b>(1,056,704)</b>	<b>(1,240,562)</b>	<b>(183,858)</b>	<b>(1,949,594)</b>	<b>(1,836,537)</b>	<b>113,057</b>	<b>131,181</b>	<b>113,757</b>	<b>(17,424)</b>
<b>Other financing sources (uses)</b>									
Transfers in	1,056,703	1,228,707	172,004	1,949,994	1,949,994	-	-	-	-
Sale of Assets	-	800	800	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	(131,181)	(111,122)	20,059
<b>Total other financing sources (uses)</b>	<b>1,056,703</b>	<b>1,229,507</b>	<b>172,804</b>	<b>1,949,994</b>	<b>1,949,994</b>	<b>-</b>	<b>(131,181)</b>	<b>(111,122)</b>	<b>20,059</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(1)</b>	<b>(11,055)</b>	<b>(11,054)</b>	<b>400</b>	<b>113,457</b>	<b>113,057</b>	<b>-</b>	<b>2,635</b>	<b>2,635</b>
<b>Fund balance at beginning of year</b>	<b>222,724</b>	<b>222,724</b>	<b>-</b>	<b>946</b>	<b>946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 222,723</b>	<b>\$ 211,669</b>	<b>(\$ 11,054)</b>	<b>\$ 1,346</b>	<b>\$ 114,403</b>	<b>\$ 113,057</b>	<b>\$ -</b>	<b>\$ 2,635</b>	<b>\$ 2,635</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Parks Development (2411)			Sewage Facilities Step One (2430)			CDBG Home Rehab (2470)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 7,948	\$ 7,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	62,473	62,473	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	1,500	1,362	(138)	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>7,948</u>	<u>7,948</u>	<u>-</u>	<u>1,500</u>	<u>1,362</u>	<u>(138)</u>	<u>62,473</u>	<u>62,473</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	20,000	-	20,000	-	-	-
Welfare	-	-	-	-	-	-	62,473	62,473	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	15,948	28,887	(12,939)	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>	40,000	-	40,000	-	-	-	-	-	-
	<u>55,948</u>	<u>28,887</u>	<u>27,061</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>62,473</u>	<u>62,473</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<b>(48,000)</b>	<b>(20,939)</b>	<b>27,061</b>	<b>(18,500)</b>	<b>1,362</b>	<b>19,862</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	48,000	21,062	(26,938)	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>48,000</b>	<b>21,062</b>	<b>(26,938)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>123</b>	<b>123</b>	<b>(18,500)</b>	<b>1,362</b>	<b>19,862</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,451</b>	<b>44,451</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ 123</b>	<b>\$ 123</b>	<b>\$ 25,951</b>	<b>\$ 45,813</b>	<b>\$ 19,862</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2002**

	Budget Stabilization (2570)			Law Library (2610)			Community Corrections (2640)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 840,410	\$ 776,689	(\$ 63,721)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	81	81	166,283	131,157	(35,126)
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	6,500	6,500	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,500</u>	<u>6,581</u>	<u>81</u>	<u>1,006,693</u>	<u>907,846</u>	<u>(98,847)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	26,920	17,070	9,850	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	1,347,560	1,192,225	155,335
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,920</u>	<u>17,070</u>	<u>9,850</u>	<u>1,347,560</u>	<u>1,192,225</u>	<u>155,335</u>
Revenues over (under) expenditures	-	-	-	(20,420)	(10,489)	9,931	(340,867)	(284,379)	56,488
<b>Other financing sources (uses)</b>									
Transfers in	-	50,000	50,000	20,420	10,489	(9,931)	340,698	284,379	(56,319)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>20,420</u>	<u>10,489</u>	<u>(9,931)</u>	<u>340,698</u>	<u>284,379</u>	<u>(56,319)</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	50,000	50,000	-	-	-	(169)	-	169
<b>Fund balance at beginning of year</b>	<u>1,300,000</u>	<u>1,300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,412</u>	<u>1,412</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 1,300,000</u>	<u>\$ 1,350,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,243</u>	<u>\$ 1,412</u>	<u>\$ 169</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Project Cornerstone (2650)			WMET (2670)			TNT Drug (2671)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	49,253	49,253	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	6,500	6,500	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	7,300	21,938	14,638
Investment income	-	-	-	-	-	-	4,000	4,201	201
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	25,000	44,622	19,622
	<u>49,253</u>	<u>49,253</u>	<u>-</u>	<u>6,500</u>	<u>6,500</u>	<u>-</u>	<u>36,300</u>	<u>70,761</u>	<u>34,461</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	98,507	103,005	(4,498)	17,505	858	16,647	8,110	27,609	(19,499)
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>98,507</u>	<u>103,005</u>	<u>(4,498)</u>	<u>17,505</u>	<u>858</u>	<u>16,647</u>	<u>42,000</u>	<u>9,548</u>	<u>32,452</u>
	<u>98,507</u>	<u>103,005</u>	<u>(4,498)</u>	<u>17,505</u>	<u>858</u>	<u>16,647</u>	<u>50,110</u>	<u>37,157</u>	<u>12,953</u>
<b>Revenues over (under) expenditures</b>	<b>(49,254)</b>	<b>(53,752)</b>	<b>(4,498)</b>	<b>(11,005)</b>	<b>5,642</b>	<b>16,647</b>	<b>(13,810)</b>	<b>33,604</b>	<b>47,414</b>
<b>Other financing sources (uses)</b>									
Transfers in	49,254	53,752	4,498	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>49,254</b>	<b>53,752</b>	<b>4,498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,005)</b>	<b>5,642</b>	<b>16,647</b>	<b>(13,810)</b>	<b>33,604</b>	<b>47,414</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,005</b>	<b>11,005</b>	<b>-</b>	<b>126,064</b>	<b>126,064</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,647</b>	<b>\$ 16,647</b>	<b>\$ 112,254</b>	<b>\$ 159,668</b>	<b>\$ 47,414</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Prosecutor Drug Fund (2672)			Library (2710)			Wagner Peyser (2731)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ 146,995	\$ 148,089	\$ 1,094	\$ -	\$ -	\$ -
Federal	-	-	-	3,153	3,153	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	589,224	373,484	(215,740)
Local units	-	-	-	29,100	31,553	2,453	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	17,000	38,816	21,816	-	-	-
Fines and forfeitures	1,600	1,600	-	519,000	498,938	(20,062)	-	-	-
Investment income	1,250	1,072	(178)	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	5,000	6,364	1,364	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	9,915	9,915	121,400	117,622	(3,778)	-	-	-
	<u>2,850</u>	<u>12,587</u>	<u>9,737</u>	<u>841,648</u>	<u>844,535</u>	<u>2,887</u>	<u>589,224</u>	<u>373,484</u>	<u>(215,740)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	11,150	12,273	(1,123)	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	551,224	373,484	177,740
Culture	-	-	-	1,551,192	1,537,211	13,981	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	38,000	-	38,000
	<u>11,150</u>	<u>12,273</u>	<u>(1,123)</u>	<u>1,551,192</u>	<u>1,537,211</u>	<u>13,981</u>	<u>589,224</u>	<u>373,484</u>	<u>215,740</u>
<b>Revenues over (under) expenditures</b>	<b>(8,300)</b>	<b>314</b>	<b>8,614</b>	<b>(709,544)</b>	<b>(692,676)</b>	<b>16,868</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	683,653	694,961	11,308	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>683,653</b>	<b>694,961</b>	<b>11,308</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(8,300)</b>	<b>314</b>	<b>8,614</b>	<b>(25,891)</b>	<b>2,285</b>	<b>28,176</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>34,858</b>	<b>34,858</b>	<b>-</b>	<b>25,893</b>	<b>25,893</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 26,558</b>	<b>\$ 35,172</b>	<b>\$ 8,614</b>	<b>\$ 2</b>	<b>\$ 28,178</b>	<b>\$ 28,176</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Governors Career Scholarship (2732)			TAA/NAFTA (2733)			Marketing Grant (2736)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 55,000	\$ 2,898	(\$ 52,102)	\$ -	\$ -	\$ -	\$ 50,000	\$ 49,338	(\$ 662)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	75,000	2,794	(72,206)	250,000	102,469	(147,531)	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>130,000</u>	<u>5,692</u>	<u>(124,308)</u>	<u>250,000</u>	<u>102,469</u>	<u>(147,531)</u>	<u>50,000</u>	<u>49,338</u>	<u>(662)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	130,000	5,692	124,308	250,000	102,469	147,531	50,000	49,338	662
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>130,000</u>	<u>5,692</u>	<u>124,308</u>	<u>250,000</u>	<u>102,469</u>	<u>147,531</u>	<u>50,000</u>	<u>49,338</u>	<u>662</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Reemployment Services (2738)			Displaced Homemaker (2746)			Development Job Training (2750)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ 37,863	\$ 37,863	\$ -	\$ -	\$ -	\$ 750,000	\$ 245,738	(\$ 504,262)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	41,187	-	(41,187)	72,000	13,196	(58,804)	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>41,187</u>	<u>37,863</u>	<u>(3,324)</u>	<u>72,000</u>	<u>13,196</u>	<u>(58,804)</u>	<u>750,000</u>	<u>245,738</u>	<u>(504,262)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	40,187	37,863	2,324	72,000	13,196	58,804	750,000	245,738	504,262
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>41,187</u>	<u>37,863</u>	<u>3,324</u>	<u>72,000</u>	<u>13,196</u>	<u>58,804</u>	<u>750,000</u>	<u>245,738</u>	<u>504,262</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Workfirst (2751)			State Level Service Center Operations (2757)			Food Stamp Program (2759)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ 23,116	\$ 5,779	(\$ 17,337)	\$ 5,000	\$ 111	(\$ 4,889)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	3,228,270	1,772,672	(1,455,598)	-	-	-	381,814	83,609	(298,205)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	(7)	(7)	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>3,228,270</u>	<u>1,772,665</u>	<u>(1,455,605)</u>	<u>23,116</u>	<u>5,779</u>	<u>(17,337)</u>	<u>386,814</u>	<u>83,720</u>	<u>(303,094)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	3,208,270	1,771,303	1,436,967	23,116	5,779	17,337	386,814	83,720	303,094
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>	<u>20,000</u>	<u>1,362</u>	<u>18,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,228,270</u>	<u>1,772,665</u>	<u>1,455,605</u>	<u>23,116</u>	<u>5,779</u>	<u>17,337</u>	<u>386,814</u>	<u>83,720</u>	<u>303,094</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	WIA Admin Pool (2760)			WIA Adult Program (2761)			WIA Youth Programs (2762)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	238,965	210,410	(28,555)	777,460	884,603	107,143	919,728	651,630	(268,098)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	250	190	(60)	200	163	(37)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>238,965</u>	<u>210,410</u>	<u>(28,555)</u>	<u>777,710</u>	<u>884,793</u>	<u>107,083</u>	<u>919,928</u>	<u>651,793</u>	<u>(268,135)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	228,965	210,410	18,555	731,047	884,793	(153,746)	909,928	651,793	258,135
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>	10,000	-	10,000	46,663	-	46,663	10,000	-	10,000
	<u>238,965</u>	<u>210,410</u>	<u>28,555</u>	<u>777,710</u>	<u>884,793</u>	<u>(107,083)</u>	<u>919,928</u>	<u>651,793</u>	<u>268,135</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
<b>Transfers in</b>									
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
<b>Transfers (out)</b>									
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance**

**Non-Major Governmental Funds**

**Budget and Actual**

**For the Year ended September 30, 2002**

	WIA Dislocated Worker Program (2763)			Welfare to Work (2764)			Strategic Planning (2765)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,333	\$ 75,000	(\$ 57,333)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	367,024	520,596	153,572	949,547	436,304	(513,243)	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	1,500	2,015	515	250	363	113	1,500	-	(1,500)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>368,524</u>	<u>522,611</u>	<u>154,087</u>	<u>949,797</u>	<u>436,667</u>	<u>(513,130)</u>	<u>133,833</u>	<u>75,000</u>	<u>(58,833)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	363,524	522,611	(159,087)	944,797	436,667	508,130	133,833	75,000	58,833
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>	5,000	-	5,000	5,000	-	5,000	-	-	-
	<u>368,524</u>	<u>522,611</u>	<u>(154,087)</u>	<u>949,797</u>	<u>436,667</u>	<u>513,130</u>	<u>133,833</u>	<u>75,000</u>	<u>58,833</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-	-	-	-
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	WIA Youth Statewide (2766)			WIA Service Center Ops (2767)			Incumbent Worker Program (2768)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	16,294	15,980	(314)	90,705	26,097	(64,608)	-	1,887	1,887
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>16,294</u>	<u>15,980</u>	<u>(314)</u>	<u>90,705</u>	<u>26,097</u>	<u>(64,608)</u>	<u>-</u>	<u>1,887</u>	<u>1,887</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	16,294	15,980	314	84,255	26,097	58,158	-	1,887	(1,887)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	6,450	-	6,450	-	-	-
	<u>16,294</u>	<u>15,980</u>	<u>314</u>	<u>90,705</u>	<u>26,097</u>	<u>64,608</u>	<u>-</u>	<u>1,887</u>	<u>(1,887)</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Reed Act Funds (2769)			WTW Youth Program (2770)			Crime Victims' Rights (2800)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	122,806	119,208	(3,598)
Federal pass-thru	-	1,534,709	1,534,709	-	93,236	93,236	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	27	27	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>1,534,709</u>	<u>1,534,709</u>	<u>-</u>	<u>93,236</u>	<u>93,236</u>	<u>122,833</u>	<u>119,235</u>	<u>(3,598)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	124,094	121,211	2,883
Health	-	-	-	-	-	-	-	-	-
Welfare	-	1,534,709	(1,534,709)	-	93,236	(93,236)	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>-</u>	<u>1,534,709</u>	<u>(1,534,709)</u>	<u>-</u>	<u>93,236</u>	<u>(93,236)</u>	<u>124,094</u>	<u>121,211</u>	<u>2,883</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	(1,261)	(1,976)	(715)
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	1,261	1,976	715
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,261</u>	<u>1,976</u>	<u>715</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Partnership for Adult Learning (PAL) (2820)			Juv Accountability Incentive Block Grant (2831)			Community Gun Violence (2832)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 721,669	\$ 380,849	(\$ 340,820)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	77,279	90,625	13,346	21,307	20,437	(870)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>721,669</u>	<u>380,849</u>	<u>(340,820)</u>	<u>77,279</u>	<u>90,625</u>	<u>13,346</u>	<u>21,307</u>	<u>20,437</u>	<u>(870)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	85,866	96,851	(10,985)	26,634	25,546	1,088
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	721,669	380,849	340,820	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	4,131	(4,131)	-	-	-
	<u>721,669</u>	<u>380,849</u>	<u>340,820</u>	<u>85,866</u>	<u>100,982</u>	<u>(15,116)</u>	<u>26,634</u>	<u>25,546</u>	<u>1,088</u>
Revenues over (under) expenditures	-	-	-	(8,587)	(10,357)	(1,770)	(5,327)	(5,109)	218
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	8,587	10,357	1,770	5,327	5,109	(218)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	<u>8,587</u>	<u>10,357</u>	<u>1,770</u>	<u>5,327</u>	<u>5,109</u>	<u>(218)</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	EDC Loan Revolving (2860)			Cherry Hill Loan (2871)			R. Fuchs CDBG Grant (2873)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	62,700	59,753	(2,947)	1,128	1,227	99	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>62,700</u>	<u>59,753</u>	<u>(2,947)</u>	<u>1,128</u>	<u>1,227</u>	<u>99</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	199,667	41,815	157,852	313	289	24	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>199,667</u>	<u>41,815</u>	<u>157,852</u>	<u>313</u>	<u>289</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<b>(136,967)</b>	<b>17,938</b>	<b>154,905</b>	<b>815</b>	<b>938</b>	<b>123</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	12,627	12,627	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	(20,000)	(20,000)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(20,000)</b>	<b>(7,373)</b>	<b>12,627</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(156,967)</b>	<b>10,565</b>	<b>167,532</b>	<b>815</b>	<b>938</b>	<b>123</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>335,016</b>	<b>335,016</b>	<b>-</b>	<b>40,067</b>	<b>40,067</b>	<b>-</b>	<b>3,549</b>	<b>3,549</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 178,049</b>	<b>\$ 345,581</b>	<b>\$ 167,532</b>	<b>\$ 40,882</b>	<b>\$ 41,005</b>	<b>\$ 123</b>	<b>\$ 3,549</b>	<b>\$ 3,549</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Remonumentation Program (2890)			Social Welfare (2910)			Child Care Facility (2920)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 71,793	\$ 69,338	(\$ 2,455)	\$ 1,115,334	\$ 944,733	(\$ 170,601)	\$ 2,084,435	\$ 2,088,231	\$ 3,796
Federal	-	-	-	-	-	-	25,000	25,846	846
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	84,666	60,526	(24,140)	145,038	153,175	8,137
	<u>71,793</u>	<u>69,338</u>	<u>(2,455)</u>	<u>1,200,000</u>	<u>1,005,259</u>	<u>(194,741)</u>	<u>2,254,473</u>	<u>2,267,252</u>	<u>12,779</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	1,211,032	1,015,283	195,749	5,366,090	5,328,297	37,793
Welfare	-	-	-	-	-	-	-	-	-
Culture	78,793	76,338	2,455	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	15,006	13,946	1,060
	<u>78,793</u>	<u>76,338</u>	<u>2,455</u>	<u>1,211,032</u>	<u>1,015,283</u>	<u>195,749</u>	<u>5,381,096</u>	<u>5,342,243</u>	<u>38,853</u>
Revenues over (under) expenditures	(7,000)	(7,000)	-	(11,032)	(10,024)	1,008	(3,126,623)	(3,074,991)	51,632
<b>Other financing sources (uses)</b>									
Transfers in	7,000	7,000	-	11,032	10,024	(1,008)	3,126,623	3,074,991	(51,632)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>11,032</u>	<u>10,024</u>	<u>(1,008)</u>	<u>3,126,623</u>	<u>3,074,991</u>	<u>(51,632)</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Veterans Trust (2940)			Economic Development Commission (2960)			Mental Health Buildings (2970)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 45,000	\$ 29,914	(\$ 15,086)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	15,000	11,945	(3,055)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	291,909	313,860	21,951
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	120,247	83,299	(36,948)
	<u>45,000</u>	<u>29,914</u>	<u>(15,086)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>427,156</u>	<u>409,104</u>	<u>(18,052)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	2,500	2,220	280	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	334,830	306,502	28,328
Welfare	45,000	29,914	15,086	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	36,948	-	36,948
	<u>45,000</u>	<u>29,914</u>	<u>15,086</u>	<u>2,500</u>	<u>2,220</u>	<u>280</u>	<u>371,778</u>	<u>306,502</u>	<u>65,276</u>
Revenues over (under) expenditures	-	-	-	(2,500)	(2,220)	280	55,378	102,602	47,224
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	2,500	2,220	(280)	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	2,500	2,220	(280)	-	-	-
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	55,378	102,602	47,224
Fund balance at beginning of year	-	-	-	-	-	-	16,345	16,345	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,723</u>	<u>\$ 118,947</u>	<u>\$ 47,224</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Victim Restitution (2980)			Convention Center Debt (3100)			Quality of Life (3110)/(3111)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	16,000	13,998	(2,002)	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	1,000	809	(191)	9,907	8,436	(1,471)	15,000	32,505	17,505
Taxes	-	-	-	-	-	-	1,357,716	1,416,548	58,832
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>17,000</u>	<u>14,807</u>	<u>(2,193)</u>	<u>9,907</u>	<u>8,436</u>	<u>(1,471)</u>	<u>1,372,716</u>	<u>1,449,053</u>	<u>76,337</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	12,000	10,012	1,988	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	633	618	15	1,063	83	980
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	250,000	250,000	-	485,000	485,000	-
Interest	-	-	-	26,938	26,938	-	728,384	728,384	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>12,000</u>	<u>10,012</u>	<u>1,988</u>	<u>277,571</u>	<u>277,556</u>	<u>15</u>	<u>1,214,447</u>	<u>1,213,467</u>	<u>980</u>
<b>Revenues over (under) expenditures</b>	<b>5,000</b>	<b>4,795</b>	<b>(205)</b>	<b>(267,664)</b>	<b>(269,120)</b>	<b>(1,456)</b>	<b>158,269</b>	<b>235,586</b>	<b>77,317</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	120,000	111,122	(8,878)	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,000</b>	<b>111,122</b>	<b>(8,878)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>5,000</b>	<b>4,795</b>	<b>(205)</b>	<b>(147,664)</b>	<b>(157,998)</b>	<b>(10,334)</b>	<b>158,269</b>	<b>235,586</b>	<b>77,317</b>
<b>Fund balance at beginning of year</b>	<b>22,422</b>	<b>22,422</b>	<b>-</b>	<b>353,167</b>	<b>353,167</b>	<b>-</b>	<b>404,884</b>	<b>404,884</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 27,422</b>	<b>\$ 27,217</b>	<b>(\$ 205)</b>	<b>\$ 205,503</b>	<b>\$ 195,169</b>	<b>(\$ 10,334)</b>	<b>\$ 563,153</b>	<b>\$ 640,470</b>	<b>\$ 77,317</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2002**

	Hall of Justice Debt (3130)			Psychiatric Facility Debt (3141)			Halmond Center Debt (3142)/(3143)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	3,000	2,320	(680)	5,300	3,639	(1,661)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	253,817	255,801	1,984	189,107	189,107	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,817</u>	<u>258,121</u>	<u>1,304</u>	<u>194,407</u>	<u>192,746</u>	<u>(1,661)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	312	(312)	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	383	383	-	1,211	1,210	1
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	225,000	225,000	-	135,000	135,000	-
Interest	201,566	181,658	19,908	32,412	32,575	(163)	59,798	59,948	(150)
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>201,566</u>	<u>181,970</u>	<u>19,596</u>	<u>257,795</u>	<u>257,958</u>	<u>(163)</u>	<u>196,009</u>	<u>196,158</u>	<u>(149)</u>
<b>Revenues over (under) expenditures</b>	<b>(201,566)</b>	<b>(181,970)</b>	<b>19,596</b>	<b>(978)</b>	<b>163</b>	<b>1,141</b>	<b>(1,602)</b>	<b>(3,412)</b>	<b>(1,810)</b>
<b>Other financing sources (uses)</b>									
Transfers in	201,566	181,970	(19,596)	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>201,566</u>	<u>181,970</u>	<u>(19,596)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(978)</b>	<b>163</b>	<b>1,141</b>	<b>(1,602)</b>	<b>(3,412)</b>	<b>(1,810)</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,173</b>	<b>76,173</b>	<b>-</b>	<b>101,325</b>	<b>101,325</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,195</b>	<b>\$ 76,336</b>	<b>\$ 1,141</b>	<b>\$ 99,723</b>	<b>\$ 97,913</b>	<b>(\$ 1,810)</b>

**County of Muskegon**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**Major Governmental Fund - Water and Sewer Debt**  
**Year Ended September 30, 2002**

	<b>Water and Sewer Debt - 3650</b>			
	<b>Original</b>	<b>Final</b>		<b>Difference</b>
	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	<b>(+/-)</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Operating grants and contributions	-	-	-	-
Charges for services	10,000	12,000	12,781	781
Fines and forfeitures	-	-	-	-
Investment income	158,583	90,527	25,856	(64,671)
Rentals	-	-	-	-
Special assessments	1,687,900	1,350,000	1,350,000	-
Contributions from private sources	-	-	-	-
Other	3,809	3,576	3,708	132
<b>Total revenues</b>	<b>1,860,292</b>	<b>1,456,103</b>	<b>1,392,345</b>	<b>(63,758)</b>
<b>Expenditures</b>				
<b>Current operations</b>				
Legislative	-	-	-	-
Judicial	-	-	-	-
General County government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture	-	-	-	-
Recreation	-	-	-	-
Other	12,904	11,076	42,606	(31,530)
Capital outlay	200,000	100,000	-	100,000
<b>Debt service</b>				
Principal payments	1,722,900	1,385,000	1,385,000	-
Interest	39,723	37,520	36,228	1,292
Other	-	-	-	-
<b>Total expenditures</b>	<b>1,975,527</b>	<b>1,533,596</b>	<b>1,463,834</b>	<b>69,762</b>
<b>Revenues over (under) expenditures</b>	<b>(115,235)</b>	<b>(77,493)</b>	<b>(71,489)</b>	<b>6,004</b>
<b>Other financing sources (uses)</b>				
Sales of Fixed Assets	-	-	-	-
Transfers in	72,500	72,500	72,500	-
Transfers (out)	-	-	-	-
	<b>72,500</b>	<b>72,500</b>	<b>72,500</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER</b>				
<b>(UNDER) EXPENDITURES AND OTHER USES</b>	<b>(42,735)</b>	<b>(4,993)</b>	<b>1,011</b>	<b>6,004</b>
<b>Fund balance at beginning of year</b>	<b>787,680</b>	<b>787,680</b>	<b>787,680</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 744,945</b>	<b>\$ 782,687</b>	<b>\$ 788,691</b>	<b>\$ 6,004</b>

## NON-MAJOR PROPRIETARY FUNDS

Fairgrounds Operations (5083)--to account for building and maintaining the county fairgrounds and horse training track. Funds are provided by the renting of horse stalls.

Delinquent Tax Revolving Funds (5160, 5161, 5168, 5169)--to account for monies borrowed in anticipation of delinquent taxes being collected. The purpose of these funds is to pay each local unit, including the county's General Fund, the respective amount of taxes that are not collected as of March 1 of each year.

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)--the Muskegon Area Transit System provides public transportation with ten regular routes and two special routes. The sources of funds are the Michigan Department of Transportation (paying 35% of the operating costs), the Urban Mass Transportation Administration (paying 50% of the operating costs), and the local contributions (paying 15% of the operating costs).

Northside Water (5910)--established for the connections and continued maintenance and operation of a water system for the townships of Dalton, Laketon, and Muskegon.

*County of Muskegon*

*Other Non-Major Proprietary Funds*

*Combining Statement of Net Assets*

*September 30, 2002*

ASSETS	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5160)	Delinquent Tax Revolving (5161)	Delinquent Tax Revolving (5168)	Delinquent Tax Revolving (5169)
<b>CURRENT ASSETS</b>					
Cash and cash investments	\$ 923,605	\$ 1,835,454	\$ 3,113,154	\$ -	\$ 5,847,452
Accounts receivable	37,820	6,373	-	-	6,457
Intergovernmental receivable	-	-	-	-	-
Accrued interest receivable	3,546	12,028	4,427	-	30,187
Current portion of delinquent taxes receivable	-	702,712	2,848,561	-	183,169
Current portion of interest and penalties receivable on delinquent taxes	-	269,373	313,342	-	85,479
Prepaid expenses	148,504	-	-	-	-
Inventories	-	-	-	-	-
Restricted assets	-	-	-	-	-
Total current assets	<u>1,113,475</u>	<u>2,825,940</u>	<u>6,279,484</u>	<u>-</u>	<u>6,152,744</u>
<b>NONCURRENT ASSETS</b>					
Property and Equipment - at cost					
Land	-	-	-	-	-
Land improvements	676,091	-	-	-	-
Buildings	1,857,953	-	-	-	-
Machinery and equipment	92,041	-	-	-	-
Construction in progress	-	-	-	-	-
Total Property and Equipment	<u>2,626,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less accumulated depreciation	<u>(812,830)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Property and Equipment - net	<u>1,813,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DELINQUENT TAXES RECEIVABLE</b>	<u>-</u>	<u>858,870</u>	<u>3,481,574</u>	<u>-</u>	<u>61,056</u>
<b>INTEREST AND PENALTIES RECEIVABLE ON DELINQUENT TAXES</b>	<u>-</u>	<u>89,791</u>	<u>382,973</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,926,730</u>	<u>\$ 3,774,601</u>	<u>\$ 10,144,031</u>	<u>\$ -</u>	<u>\$ 6,213,800</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2002*

	Fairgrounds Operation (5083)	2000 Delinquent Tax Revolving (5160)	2001 Delinquent Tax Revolving (5161)	1998 Delinquent Tax Revolving (5168)	1999 Delinquent Tax Revolving (5169)
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 4,219	\$ -	\$ -	\$ -	\$ 364,279
Advances payable	-	-	-	-	-
Accrued interest	34,033	36,833	87,250	-	-
Accrued liabilities	53	-	-	-	-
Current portion of long term debt	175,000	2,500,000	7,500,000	-	-
<b>Total current liabilities</b>	<b>213,305</b>	<b>2,536,833</b>	<b>7,587,250</b>	<b>-</b>	<b>364,279</b>
<b>NONCURRENT LIABILITIES</b>					
Tax anticipation notes payable	-	-	1,500,000	-	-
Due to other funds	-	-	-	-	-
Long term debt	1,165,000	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>1,165,000</b>	<b>-</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>
<b>DEFERRED REVENUE</b>					
	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>1,378,305</b>	<b>2,536,833</b>	<b>9,087,250</b>	<b>-</b>	<b>364,279</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	473,255	-	-	-	-
Unreserved	1,075,170	1,237,768	1,056,781	-	5,849,521
<b>TOTAL NET ASSETS</b>	<b>\$ 1,548,425</b>	<b>\$ 1,237,768</b>	<b>\$ 1,056,781</b>	<b>\$ -</b>	<b>\$ 5,849,521</b>

*County of Muskegon*

*Other Non-Major Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2002*

ASSETS	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Northside Water (5910)	<u>Totals</u> 2002
<b>CURRENT ASSETS</b>				
Cash and cash investments	\$ 1,837,998	\$ -	\$ 1,112,852	\$ 14,670,515
Accounts receivable	-	5,683	656,732	713,065
Intergovernmental receivable	29,601	2,690,155	-	2,719,756
Accrued interest receivable	9,813	11	4,684	64,696
Current portion of delinquent taxes receivable	-	-	-	3,734,442
Current portion of interest and penalties receivable on delinquent taxes	-	-	-	668,194
Prepaid expenses	-	-	-	148,504
Inventories	516	-	-	516
Restricted assets	121,804	-	-	121,804
<b>Total current assets</b>	<u>1,999,732</u>	<u>2,695,849</u>	<u>1,774,268</u>	<u>22,841,492</u>
<b>NONCURRENT ASSETS</b>				
Property and Equipment - at cost				
Land	-	199,487	-	199,487
Land improvements	1,521	-	-	677,612
Buildings	213,369	5,742,599	-	7,813,921
Machinery and equipment	236,417	4,944,953	-	5,273,411
Construction in progress	-	5,277	-	5,277
<b>Total Property and Equipment</b>	<u>451,307</u>	<u>10,892,316</u>	<u>-</u>	<u>13,969,708</u>
Less accumulated depreciation	<u>(247,723)</u>	<u>(3,324,225)</u>	<u>-</u>	<u>(4,384,778)</u>
<b>Property and Equipment - net</b>	<u>203,584</u>	<u>7,568,091</u>	<u>-</u>	<u>9,584,930</u>
<b>DELINQUENT TAXES RECEIVABLE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,401,500</u>
<b>INTEREST AND PENALTIES RECEIVABLE ON DELINQUENT TAXES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>472,764</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,203,316</u>	<u>\$ 10,263,940</u>	<u>\$ 1,774,268</u>	<u>\$ 37,300,686</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds  
Combining Statement of Net Assets*

*September 30, 2002*

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Northside Water (5910)	Totals 2002
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 4,679	\$ 161,263	\$ 29,340	\$ 563,780
Advances payable	-	28,982	-	28,982
Accrued interest	-	-	-	158,116
Accrued liabilities	8,336	135,323	884	144,596
Current portion of long term debt	-	-	-	10,175,000
<b>Total current liabilities</b>	<b>13,015</b>	<b>325,568</b>	<b>30,224</b>	<b>11,070,474</b>
<b>NONCURRENT LIABILITIES</b>				
Tax anticipation notes payable	-	-	-	1,500,000
Due to other funds	-	1,977,452	-	1,977,452
Long term debt	-	-	-	1,165,000
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>1,977,452</b>	<b>-</b>	<b>4,642,452</b>
<b>DEFERRED REVENUE</b>	<b>29,601</b>	<b>-</b>	<b>-</b>	<b>29,601</b>
<b>TOTAL LIABILITIES</b>	<b>42,616</b>	<b>2,303,020</b>	<b>30,224</b>	<b>15,742,527</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	203,584	7,568,091	-	8,244,930
Unreserved	1,957,116	392,829	1,744,044	13,313,229
<b>TOTAL NET ASSETS</b>	<b>\$ 2,160,700</b>	<b>\$ 7,960,920</b>	<b>\$ 1,744,044</b>	<b>\$ 21,558,159</b>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

*Statement of Revenues, Expenses and Changes in Fund Net Assets*

*For the the Year ending September 30, 2002*

	Fairgrounds Operation (5083)	2000 Delinquent Tax Revolving (5160)	2001 Delinquent Tax Revolving (5161)	1998 Delinquent Tax Revolving (5168)	1999 Delinquent Tax Revolving (5169)
<b>Operating revenues</b>					
Charges for services	\$ 128,340	\$ -	\$ -	\$ -	\$ -
Interest and penalties on delinquent taxes	-	495,251	1,149,431	-	213,073
Other	29,900	-	-	-	-
	<u>158,240</u>	<u>495,251</u>	<u>1,149,431</u>	<u>-</u>	<u>213,073</u>
<b>Operating expenses</b>					
Salaries and fringe benefits	10,189	-	-	-	-
Supplies and other operating expenses	67,981	797	17,825	-	400
Interest expense	-	252,167	85,796	-	101,916
Depreciation and amortization	64,066	-	-	-	-
	<u>142,236</u>	<u>252,964</u>	<u>103,621</u>	<u>-</u>	<u>102,316</u>
<b>Operating income (loss)</b>	<b>16,004</b>	<b>242,287</b>	<b>1,045,810</b>	<b>-</b>	<b>110,757</b>
<b>Non-Operating revenues (expenses)</b>					
Operating subsidies	-	-	-	-	-
Interest income	23,013	97,586	10,971	-	189,995
Interest expense	(107,458)	-	-	-	-
Other (net)	(300)	-	-	-	-
	<u>(84,745)</u>	<u>97,586</u>	<u>10,971</u>	<u>-</u>	<u>189,995</u>
<b>Income (loss) before contributions and transfers</b>	<b>(68,741)</b>	<b>339,873</b>	<b>1,056,781</b>	<b>-</b>	<b>300,752</b>
<b>Capital contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers in	248,741	-	-	-	5,775,505
Transfers (out)	-	-	-	(4,064,285)	(1,326,741)
	<u>248,741</u>	<u>-</u>	<u>-</u>	<u>(4,064,285)</u>	<u>4,448,764</u>
<b>NET INCOME (LOSS)</b>	<b>180,000</b>	<b>339,873</b>	<b>1,056,781</b>	<b>(4,064,285)</b>	<b>4,749,516</b>
<b>Net Assets at beginning of year</b>	<b>1,368,425</b>	<b>897,895</b>	<b>-</b>	<b>4,064,285</b>	<b>1,100,005</b>
<b>Net Assets at end of year</b>	<b>\$ 1,548,425</b>	<b>\$ 1,237,768</b>	<b>\$ 1,056,781</b>	<b>\$ -</b>	<b>\$ 5,849,521</b>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

*Statement of Revenues, Expenses and Changes in Fund Net Assets*

*For the the Year ending September 30, 2002*

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Northside Water (5910)	Totals 2002
<b>Operating revenues</b>				
Charges for services	\$ 166,681	\$ 260,948	\$ 651,493	\$ 1,207,462
Interest and penalties on delinquent taxes	-	-	-	1,857,755
Other	-	-	270,088	299,988
	<u>166,681</u>	<u>260,948</u>	<u>921,581</u>	<u>3,365,205</u>
<b>Operating expenses</b>				
Salaries and fringe benefits	162,037	1,419,459	45,279	1,636,964
Supplies and other operating expenses	439,056	1,047,897	874,743	2,448,699
Interest expense	-	-	-	439,879
Depreciation and amortization	23,974	595,556	-	683,596
	<u>625,067</u>	<u>3,062,912</u>	<u>920,022</u>	<u>5,209,138</u>
<b>Operating income (loss)</b>	(458,386)	(2,801,964)	1,559	(1,843,933)
<b>Non-Operating revenues (expenses)</b>				
Operating subsidies	-	2,204,741	-	2,204,741
Interest income	69,844	-	74,889	466,298
Interest expense	-	-	-	(107,458)
Other (net)	-	(10,139)	-	(10,439)
	<u>69,844</u>	<u>2,194,602</u>	<u>74,889</u>	<u>2,553,142</u>
<b>Income (loss) before contributions and transfers</b>	<u>(388,542)</u>	<u>(607,362)</u>	<u>76,448</u>	<u>709,209</u>
<b>Capital contributions</b>	-	4,088,938	-	4,088,938
<b>Transfers in</b>	-	-	-	6,024,246
<b>Transfers (out)</b>	-	-	(72,500)	(5,463,526)
	<u>-</u>	<u>4,088,938</u>	<u>(72,500)</u>	<u>4,649,658</u>
<b>NET INCOME (LOSS)</b>	(388,542)	3,481,576	3,948	5,358,867
<b>Net Assets at beginning of year</b>	2,549,242	4,479,344	1,740,096	16,199,292
<b>Net Assets at end of year</b>	<u>\$ 2,160,700</u>	<u>\$ 7,960,920</u>	<u>\$ 1,744,044</u>	<u>\$ 21,558,159</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS**

*For the Year ending September 30, 2002*

	Fairgrounds Operations (5083)	2000 Delinquent Tax Revolving (5160)	2001 Delinquent Tax Revolving (5161)	1998 Delinquent Tax Revolving (5168)	1999 Delinquent Tax Revolving (5169)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers/Other Funds	\$ 109,120	\$ 488,878	\$ 1,149,431	\$ -	\$ 219,233
Cash Payments to Suppliers of Goods and Services	(55,269)	(797)	(17,825)	(364,280)	(400)
Cash Payments to Employees for Services	(10,189)	-	-	-	-
Interest paid	-	(360,501)	1,454	(30,000)	(182,624)
Other receipts (payments)	29,900	-	-	-	364,280
<b>Net cash provided by (used for) Operating Activities</b>	<b>73,562</b>	<b>127,580</b>	<b>1,133,060</b>	<b>(394,280)</b>	<b>400,489</b>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Tax collections	-	4,406,879	5,324,808	1,323,166	1,080,454
Delinquent tax payments to municipalities	-	-	(12,351,258)	-	-
Note payments	-	(6,500,000)	-	(1,500,000)	(3,250,000)
Note proceeds	-	-	9,000,000	-	-
Operating Subsidies from Grants	-	-	-	-	-
Transfers to other funds	-	-	-	(4,064,285)	(1,326,741)
Transfers from other funds	248,741	-	-	-	5,775,505
Advances from (to) other funds	-	-	-	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>248,741</b>	<b>(2,093,121)</b>	<b>1,973,550</b>	<b>(4,241,119)</b>	<b>2,279,218</b>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payments on long term debt	(180,000)	-	-	-	-
Interest payments on long term debt	(112,183)	-	-	-	-
Purchase of fixed assets	-	-	-	-	-
Construction in progress	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
Capital contributions and grants	-	-	-	-	-
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(292,183)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

*For the Year ending September 30, 2002*

	2000 Delinquent Tax Revolving (5160)	2001 Delinquent Tax Revolving (5161)	1998 Delinquent Tax Revolving (5168)	1999 Delinquent Tax Revolving (5169)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest received from investment pool	28,394	99,976	6,544	79,592
Net cash provided by investing activities	<u>28,394</u>	<u>99,976</u>	<u>6,544</u>	<u>79,592</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	58,514	(1,865,565)	3,113,154	(4,555,807)
Cash and cash equivalents, September 30, 2001	<u>865,091</u>	<u>3,701,019</u>	<u>-</u>	<u>4,555,807</u>
Cash and cash equivalents, September 30, 2002	<u><u>\$ 923,605</u></u>	<u><u>\$ 1,835,454</u></u>	<u><u>\$ 3,113,154</u></u>	<u><u>\$ -</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating income (loss)	<u>\$ 16,004</u>	<u>\$ 242,287</u>	<u>\$ 1,045,810</u>	<u>\$ -</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	64,066	-	-	-
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	(19,220)	(6,373)	-	6,160
Decrease in intergovernmental receivable	-	-	-	-
Increase (decrease) in deferred revenue	-	-	-	-
Increase (decrease) in accounts payable	(6,872)	-	-	-
(Increase) decrease in prepaid expenses	19,584	-	-	-
(Increase) decrease in restricted assets	-	-	-	-
Increase (decrease) in due to other funds	-	-	-	-
Increase (decrease) in accruals	-	(108,334)	87,250	(30,000)
Total Adjustments	<u>57,558</u>	<u>(114,707)</u>	<u>87,250</u>	<u>(394,280)</u>
Net cash provided by (used for) operations	<u><u>\$ 73,562</u></u>	<u><u>\$ 127,580</u></u>	<u><u>\$ 1,133,060</u></u>	<u><u>(\$ 394,280)</u></u>

*County of Muskegon*

*Other Non-Major Proprietary Funds  
COMBINING STATEMENT OF CASH FLOWS  
For the Year ending September 30, 2002*

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Northside Water (5910)	Totals 2002
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers/Other Funds	\$ 166,681	(\$ 215,132)	\$ 814,336	\$ 2,732,547
Cash Payments to Suppliers of Goods and Services	(438,160)	(1,130,935)	(880,602)	(2,888,268)
Cash Payments to Employees for Services	(160,772)	(1,409,406)	(45,451)	(1,625,818)
Interest paid	-	-	-	(571,671)
Other receipts (payments)	-	-	270,088	664,268
Net cash provided by (used for) Operating Activities	<u>(432,251)</u>	<u>(2,755,473)</u>	<u>158,371</u>	<u>(1,688,942)</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Tax collections	-	-	-	12,135,307
Delinquent tax payments to municipalities	-	-	-	(12,351,258)
Note payments	-	-	-	(11,250,000)
Note proceeds	-	-	-	9,000,000
Operating Subsidies from Grants	-	140,341	-	140,341
Transfers to other funds	-	-	(72,500)	(5,463,526)
Transfers from other funds	-	-	-	6,024,246
Advances from (to) other funds	-	(6,229)	-	(6,229)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>134,112</u>	<u>(72,500)</u>	<u>(1,771,119)</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal payments on long term debt	-	-	-	(180,000)
Interest payments on long term debt	-	-	-	(112,183)
Purchase of fixed assets	-	(1,452,632)	-	(1,452,632)
Construction in progress	-	(5,278)	-	(5,278)
Sale of fixed assets	-	(10,139)	-	(10,139)
Capital contributions and grants	-	4,088,938	-	4,088,938
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>2,620,889</u>	<u>-</u>	<u>2,328,706</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

*For the Year ending September 30, 2002*

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Northside Water (5910)	<u>Totals</u> 2002
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest received from investment pool	109,737	472	83,059	618,350
Net cash provided by investing activities	<u>109,737</u>	<u>472</u>	<u>83,059</u>	<u>618,350</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	(322,514)	-	168,930	(513,005)
Cash and cash equivalents, September 30, 2001	<u>2,160,512</u>	<u>-</u>	<u>943,922</u>	<u>15,183,520</u>
Cash and cash equivalents, September 30, 2002	<u><u>\$ 1,837,998</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,112,852</u></u>	<u><u>\$ 14,670,515</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating income (loss)	<u>(\$ 458,386)</u>	<u>(\$ 2,801,964)</u>	<u>\$ 1,559</u>	<u>(\$ 1,843,933)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	23,974	595,556	-	683,596
<b>Changes in Assets and Liabilities:</b>				
(Increase) decrease in accounts receivable	-	(1,996)	162,843	141,414
Decrease in intergovernmental receivable	166,681	-	-	166,681
Increase (decrease) in deferred revenue	(166,681)	-	-	(166,681)
Increase (decrease) in accounts payable	121	(83,038)	(5,859)	(459,928)
(Increase) decrease in prepaid expenses	-	-	-	19,584
(Increase) decrease in restricted assets	775	-	-	775
Increase (decrease) in due to other funds	-	(474,084)	-	(474,084)
Increase (decrease) in accruals	1,265	10,053	(172)	243,634
Total Adjustments	<u>26,135</u>	<u>46,491</u>	<u>156,812</u>	<u>154,991</u>
Net cash provided by (used for) operations	<u><u>(\$ 432,251)</u></u>	<u><u>(\$ 2,755,473)</u></u>	<u><u>\$ 158,371</u></u>	<u><u>(\$ 1,688,942)</u></u>

## **INTERNAL SERVICE FUNDS**

Central Stores (6330)--to account for the general county printing services which provides all common offices with necessary support.

County South Campus (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.

Equipment Revolving (6660)--to account for revenues collected on equipment leased to user departments of the county. The fund is self-sustaining with the revenues generated to be used for replacement of broken and outdated equipment.

Insurance (6770)--to account for revenues collected from user departments for the payment of insurance premiums and claims. The county is self-insured for workers' compensation, unemployment insurance, health insurance, dental insurance and collision on auto fleet insurance.

CMH ISF Risk (6772)--to cover the potential risk of actual expenses associated with the delivery of behavioral health and developmental disabilities services to the Medicaid and uninsured population exceeding a contractual funding level.

*County of Muskegon*

*Internal Service Funds  
Combining Balance Sheet*

*September 30, 2002*

ASSETS	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals 2002
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 298,323	\$ 46,950	\$ 85,245	\$ 7,320,668	\$ 2,416,070	\$ 10,167,256
Accounts receivable	2,876	-	1,244	1,530	-	5,650
Accrued interest receivable	1,072	-	3,105	36,042	12,104	52,323
<b>Total current assets</b>	<b>302,271</b>	<b>46,950</b>	<b>89,594</b>	<b>7,358,240</b>	<b>2,428,174</b>	<b>10,225,229</b>
<b>NONCURRENT ASSETS</b>						
Long-term note receivable	-	-	-	200,000	-	200,000
Long-term advance to other funds	-	-	-	1,353,693	-	1,353,693
<b>Property and Equipment - at cost</b>						
Land	-	-	444,908	-	-	444,908
Buildings	-	-	1,573,011	-	-	1,573,011
Machinery and equipment	-	-	7,095,768	-	-	7,095,768
Construction in progress	-	-	704,572	-	-	704,572
<b>Total Property and Equipment</b>	<b>-</b>	<b>-</b>	<b>9,818,259</b>	<b>-</b>	<b>-</b>	<b>9,818,259</b>
Less accumulated depreciation	-	-	(5,312,130)	-	-	(5,312,130)
<b>Total Property and Equipment - net</b>	<b>-</b>	<b>-</b>	<b>4,506,129</b>	<b>-</b>	<b>-</b>	<b>4,506,129</b>
<b>TOTAL ASSETS</b>	<b>\$ 302,271</b>	<b>\$ 46,950</b>	<b>\$ 4,595,723</b>	<b>\$ 8,911,933</b>	<b>\$ 2,428,174</b>	<b>\$ 16,285,051</b>

This Statement covers more than one page.

*County of Muskegon*

*Internal Service Funds  
Combining Balance Sheet*

*September 30, 2002*

LIABILITIES AND NET ASSETS	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals 2002
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 9,011	\$ 43,810	\$ 74,762	\$ 132,368	\$ -	\$ 259,951
Accrued liabilities	102	3,140	-	4,092,619	-	4,095,861
Total current liabilities	<u>9,113</u>	<u>46,950</u>	<u>74,762</u>	<u>4,224,987</u>	<u>-</u>	<u>4,355,812</u>
<b>NONCURRENT LIABILITIES</b>						
Land Contract Payable	-	-	192,871	-	-	192,871
Long-term advances from other funds	30,000	-	731,171	-	-	761,171
Total noncurrent liabilities	<u>30,000</u>	<u>-</u>	<u>924,042</u>	<u>-</u>	<u>-</u>	<u>954,042</u>
<b>TOTAL LIABILITIES</b>	<u>39,113</u>	<u>46,950</u>	<u>998,804</u>	<u>4,224,987</u>	<u>-</u>	<u>5,309,854</u>
<b>NET ASSETS</b>						
Invested in capital assets - net of related debt	-	-	3,596,919	-	-	3,596,919
Unreserved	263,158	-	-	4,686,946	2,428,174	7,378,278
<b>TOTAL NET ASSETS</b>	<u>\$ 263,158</u>	<u>\$ -</u>	<u>\$ 3,596,919</u>	<u>\$ 4,686,946</u>	<u>\$ 2,428,174</u>	<u>\$ 10,975,197</u>

This Statement covers more than one page.

*County of Muskegon*

*Internal Service Funds*

*Combining Statement of Revenues, Expenses  
and Changes in fund Net Assets*

*September 30, 2002*

	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals 2002
<b>Operating revenues</b>						
Intergovernmental revenues	\$ -	\$ 707,034	\$ 1,156,964	\$ 8,712,931	\$ -	\$ 10,576,929
Other	505,955	-	793,994	1,461,964	-	2,761,913
	<u>505,955</u>	<u>707,034</u>	<u>1,950,958</u>	<u>10,174,895</u>	<u>-</u>	<u>13,338,842</u>
<b>Operating expenses</b>						
Salaries and fringes	1,325	167,506	76	1,252,422	-	1,421,329
Supplies and other operating expenses	482,574	539,528	824,633	195,515	-	2,042,250
Insurance benefits and claims	-	-	-	1,404,855	-	1,404,855
Insurance premiums	-	-	-	8,066,656	-	8,066,656
Interest expense	-	-	27,801	-	-	27,801
Depreciation	-	-	869,608	-	-	869,608
	<u>483,899</u>	<u>707,034</u>	<u>1,722,118</u>	<u>10,919,448</u>	<u>-</u>	<u>13,832,499</u>
<b>Operating income (loss)</b>	<b>22,056</b>	<b>-</b>	<b>228,840</b>	<b>(744,553)</b>	<b>-</b>	<b>(493,657)</b>
<b>Non-Operating revenues (expenses)</b>						
Investment income	6,418	-	21,054	228,051	72,225	327,748
<b>Income (loss) before transfers</b>	<b>28,474</b>	<b>-</b>	<b>249,894</b>	<b>(516,502)</b>	<b>72,225</b>	<b>(165,909)</b>
<b>Transfers (out)</b>	<b>-</b>	<b>-</b>	<b>(450,000)</b>	<b>-</b>	<b>-</b>	<b>(450,000)</b>
	<u>-</u>	<u>-</u>	<u>(450,000)</u>	<u>-</u>	<u>-</u>	<u>(450,000)</u>
<b>NET INCOME (LOSS)</b>	<b>28,474</b>	<b>-</b>	<b>(200,106)</b>	<b>(516,502)</b>	<b>72,225</b>	<b>(615,909)</b>
<b>Net Assets at beginning of year</b>	<b>234,684</b>	<b>-</b>	<b>3,797,025</b>	<b>5,203,448</b>	<b>2,355,949</b>	<b>11,591,106</b>
<b>Net Assets at end of year</b>	<b>\$ 263,158</b>	<b>\$ -</b>	<b>\$ 3,596,919</b>	<b>\$ 4,686,946</b>	<b>\$ 2,428,174</b>	<b>\$ 10,975,197</b>

County of Muskegon

Governmental Activities Internal Service Funds  
Statement of Cash Flows  
For the Year ending September 30, 2002

	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total 2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers/Other Funds	\$ 505,093	\$ 707,034	\$ 1,943,845	\$ 10,176,002	\$ -	\$ 13,331,974
Cash Payments to Suppliers of Goods and Services	(479,380)	(559,016)	(845,655)	(9,195,927)	-	(11,079,978)
Cash Payments to Employees for Services	(1,223)	(168,991)	(76)	(1,252,422)	-	(1,422,712)
Net cash provided by (used for) Operating Activities	<u>24,490</u>	<u>(20,973)</u>	<u>1,098,114</u>	<u>(272,347)</u>	<u>-</u>	<u>829,284</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances to other funds	-	-	(27,456)	-	-	(27,456)
Transfers out	-	-	(450,000)	-	-	(450,000)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(477,456)</u>	<u>-</u>	<u>-</u>	<u>(477,456)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal payments on long term debt	-	-	(20,088)	-	-	(20,088)
Principal received on long term advances	-	-	-	69,325	-	69,325
Sales of Assets	-	-	5,925	-	-	5,925
Purchase of fixed assets	-	-	(1,263,543)	-	-	(1,263,543)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,277,706)</u>	<u>69,325</u>	<u>-</u>	<u>(1,208,381)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received from investment pool	8,022	-	28,431	301,646	94,268	432,367
Net cash provided by investing activities	<u>8,022</u>	<u>-</u>	<u>28,431</u>	<u>301,646</u>	<u>94,268</u>	<u>432,367</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>32,512</u>	<u>(20,973)</u>	<u>(628,617)</u>	<u>98,624</u>	<u>94,268</u>	<u>(424,186)</u>
Cash and cash equivalents, September 30, 2001	<u>265,811</u>	<u>67,923</u>	<u>713,862</u>	<u>7,222,044</u>	<u>2,321,802</u>	<u>10,591,442</u>
Cash and cash equivalents, September 30, 2002	<u>\$ 298,323</u>	<u>\$ 46,950</u>	<u>\$ 85,245</u>	<u>\$ 7,320,668</u>	<u>\$ 2,416,070</u>	<u>\$ 10,167,256</u>

County of Muskegon

Governmental Activities Internal Service Funds  
 Statement of Cash Flows - continued  
 For the Year ending September 30, 2002

	Central Stores (6330)	South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total 2002
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 22,056	\$ -	\$ 228,840	(\$ 744,553)	\$ -	(\$ 493,657)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>						
Depreciation expense	-	-	869,608	-	-	869,608
Loss (Gain) on sale of fixed assets	-	-	(5,925)	-	-	(5,925)
<b>Changes in Assets and Liabilities:</b>						
(Increase) decrease in accounts receivable	(862)	-	(1,188)	1,107	-	(943)
Increase (decrease) in accounts payable	3,194	(19,488)	6,779	68,636	-	59,121
Increase (decrease) in accrued liabilities	102	(1,485)	-	402,463	-	401,080
Total Adjustments	2,434	(20,973)	869,274	472,206	-	1,322,941
Net cash provided by (used for) operations	\$ 24,490	(\$ 20,973)	\$ 1,098,114	(\$ 272,347)	\$ -	\$ 829,284

## AGENCY FUNDS

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 hold 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.

Central Dispatch (7708)--to account for monies received from state and local grants, as well as assessments on participating municipalities for the operation and updating of the public safety communications services.

Labor Management Program (7910)--to account for monies received from various employers who provide funding for this program, the purpose of which is to improve productivity and the quality of work life by assisting in the establishment of good labor-management relationships.

Muskegon Veterans Affairs (7940)--to account for monies received for the operation of a veteran's center.

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

County of Muskegon

Agency Funds  
**COMBINING BALANCE SHEET**  
 September 30, 2002

	Agency Funds						
	Agency (7010)	Library Penal Fines (7210)	Central Dispatch (7708)	Labor Management Program (7910)	Muskegon Veterans Affairs (7940)	Orchard View (7982)	Total 2002
<b>ASSETS</b>							
Cash and cash investments	\$ 1,341,100	\$ 169,620	\$ 430,914	\$ 69,851	\$ 7,556	\$ 30,543	\$ 2,049,584
Accounts receivable	541,135	-	233,976	-	-	-	775,111
Intergovernmental receivable	-	-	-	-	-	478	478
Accrued interest receivable	-	1,793	1,449	293	189	152	3,876
	<u>\$ 1,882,235</u>	<u>\$ 171,413</u>	<u>\$ 666,339</u>	<u>\$ 70,144</u>	<u>\$ 7,745</u>	<u>\$ 31,173</u>	<u>\$ 2,829,049</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 19,400	\$ -	\$ 16,639	\$ 782	\$ 4,145	\$ -	\$ 40,966
Intergovernmental payable	749,911	-	-	-	-	-	749,911
Undistributed current and delinquent taxes	582,523	-	-	-	-	-	582,523
Trust deposits	442,290	-	-	-	-	-	442,290
Accrued liabilities	-	-	29,107	569	-	-	29,676
Unallocated receipts	63,259	171,413	620,593	68,793	3,600	31,173	958,831
Fines and Fees due to local municipalities and libraries	24,852	-	-	-	-	-	24,852
	<u>\$ 1,882,235</u>	<u>\$ 171,413</u>	<u>\$ 666,339</u>	<u>\$ 70,144</u>	<u>\$ 7,745</u>	<u>\$ 31,173</u>	<u>\$ 2,829,049</u>

*County of Muskegon*

*Agency Funds*

**COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES**

*For the Year ended September 30, 2002*

	<u>Balance Oct. 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2002</u>
<b>Trust and Agency (7010)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 2,116,995	\$ 86,214,758	\$ 86,990,653	\$ 1,341,100
Accounts receivable	524,687	919,215	902,767	541,135
	<u>\$ 2,641,682</u>	<u>\$ 87,133,973</u>	<u>\$ 87,893,420</u>	<u>\$ 1,882,235</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,278,274	\$ 51,647,140	\$ 52,906,014	\$ 19,400
Intergovernmental payable	504,090	6,817,718	6,571,897	749,911
Undistributed current and delinquent taxes	165,775	55,897,580	55,480,832	582,523
Fines and fees due to local municipalities and libraries	19,812	313,277	308,237	24,852
Trust deposits	387,173	22,067,396	22,012,279	442,290
Unallocated receipts	286,558	8,176,080	8,399,379	63,259
	<u>\$ 2,641,682</u>	<u>\$ 144,919,191</u>	<u>\$ 145,678,638</u>	<u>\$ 1,882,235</u>
<b>Library Penal Fines (7210)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 170,369	\$ 713,109	\$ 713,858	\$ 169,620
Accrued interest receivable	6,291	11,017	15,515	1,793
	<u>\$ 176,660</u>	<u>\$ 724,126</u>	<u>\$ 729,373</u>	<u>\$ 171,413</u>
<b>LIABILITIES</b>				
Unallocated receipts	\$ 176,660	\$ 713,858	\$ 719,105	\$ 171,413
	<u>\$ 176,660</u>	<u>\$ 713,858</u>	<u>\$ 719,105</u>	<u>\$ 171,413</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2002

	Balance Oct. 1, 2001	Additions	Deductions	Balance Sept. 30, 2002
<b>Central Dispatch (7708)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 106,062	\$ 3,308,235	\$ 2,983,383	\$ 430,914
Accounts receivable	12,886	1,479,200	1,258,110	233,976
Accrued interest receivable	609	6,824	5,984	1,449
	<u>\$ 119,557</u>	<u>\$ 4,794,259</u>	<u>\$ 4,247,477</u>	<u>\$ 666,339</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 27,844	\$ 980,506	\$ 991,711	\$ 16,639
Accrued liabilities	25,595	29,107	25,595	29,107
Unallocated receipts	66,118	712,757	158,282	620,593
	<u>\$ 119,557</u>	<u>\$ 1,722,370</u>	<u>\$ 1,175,588</u>	<u>\$ 666,339</u>
<b>Labor Management Program (7910)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 58,096	\$ 93,265	\$ 81,510	\$ 69,851
Accrued interest receivable	841	1,732	2,280	293
	<u>\$ 58,937</u>	<u>\$ 94,997</u>	<u>\$ 83,790</u>	<u>\$ 70,144</u>
Accounts payable	\$ -	\$ 53,144	\$ 52,362	\$ 782
Accrued liabilities	-	569	-	569
Unallocated receipts	58,937	9,856	-	68,793
	<u>\$ 58,937</u>	<u>\$ 63,569</u>	<u>\$ 52,362</u>	<u>\$ 70,144</u>
<b>Muskegon Veterans Affairs (7940)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 2,824	\$ 262,845	\$ 258,113	\$ 7,556
Accrued interest receivable	476	820	1,107	189
	<u>\$ 3,300</u>	<u>\$ 263,665</u>	<u>\$ 259,220</u>	<u>\$ 7,745</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,300	\$ 213,281	\$ 212,436	\$ 4,145
Unallocated receipts	-	3,600	-	3,600
	<u>\$ 3,300</u>	<u>\$ 216,881</u>	<u>\$ 212,436</u>	<u>\$ 7,745</u>
<b>Orchard View (7982)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 25,825	\$ 10,684	\$ 5,966	\$ 30,543
Intergovernmental receivable	-	478	-	478
Accrued interest receivable	408	914	1,170	152
	<u>\$ 26,233</u>	<u>\$ 12,076</u>	<u>\$ 7,136</u>	<u>\$ 31,173</u>
<b>LIABILITIES</b>				
Unallocated receipts	\$ 26,233	\$ 4,940	\$ -	\$ 31,173

*County of Muskegon*

*Agency Funds*

**COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued**

*For the Year ended September 30, 2002*

	<u>Balance Oct. 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2002</u>
<b>TOTALS - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 2,480,171	\$ 90,602,896	\$ 91,033,483	\$ 2,049,584
Accounts receivable	537,573	2,398,415	2,160,877	775,111
Intergovernmental receivable	-	478	-	478
Accrued interest receivable	8,625	21,307	26,056	3,876
	<u>\$ 3,026,369</u>	<u>\$ 93,023,096</u>	<u>\$ 93,220,416</u>	<u>\$ 2,829,049</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,309,418	\$ 52,894,071	\$ 54,162,523	\$ 40,966
Accrued liabilities	25,595	29,676	25,595	29,676
Undistributed current and delinquent taxes	165,775	55,897,580	55,480,832	582,523
Intergovernmental payable	504,090	6,817,718	6,571,897	749,911
Fines and fees due to local municipalities and libraries	19,812	313,277	308,237	24,852
Trust deposits	387,173	22,067,396	22,012,279	442,290
Unallocated receipts	614,506	9,621,091	9,276,766	958,831
	<u>\$ 3,026,369</u>	<u>\$ 147,640,809</u>	<u>\$ 147,838,129</u>	<u>\$ 2,829,049</u>

## County of Muskegon

**GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTION\***  
**Ten years ended September 30, 2002**  
**(Unaudited)**

<u>Year Ended</u>	<u>Legislative</u>	<u>Judicial</u>	<u>General Governmental</u>	<u>Public Safety</u>	<u>Health</u>	<u>Welfare</u>	<u>Cultural</u>	<u>Recreation</u>	<u>Other</u>	<u>Total</u>
1993	\$220,364	\$4,689,566	\$6,623,388	\$5,385,206	\$3,347,470	\$56,153	\$598,496	\$40,000	\$70,826	\$21,031,469
1994	239,014	4,763,626	7,962,614	5,780,137	3,464,356	50,647	616,685	70,970	134,278	23,082,327
1995	248,674	5,075,104	8,484,694	6,263,039	3,919,930	20,720	678,807	83,970	264,527	25,039,465
1996	244,660	5,424,406	9,103,277	6,337,778	4,589,997	32,506	713,267	69,360	151,071	26,666,322
1997	303,827	5,776,136	8,621,963	7,208,973	5,778,738	-	716,257	86,668	304,186	28,796,748
1998**	243,213	4,367,490	7,721,834	6,177,224	4,971,671	41,239	1,372,247	44,960	736,875	25,676,753
1999	304,961	4,614,732	11,116,323	8,083,441	5,167,511	-	891,433	349,216	276,969	30,804,586
2000	324,701	5,216,002	12,411,989	7,928,396	5,482,658	-	730,379	101,081	390,300	32,585,506
2001	329,852	5,208,362	11,540,580	8,781,463	5,680,091	-	791,535	40,000	800,340	33,172,223
2002	323,117	5,528,733	14,015,850	8,869,251	5,803,013	-	890,706	40,000	298,693	35,769,363

\*Includes operating transfers to other funds.

\*\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

# County of Muskegon

**SUMMARY OF GENERAL FUND REVENUES AND TRANSFERS IN  
Ten years ended September 30, 2002  
(Unaudited)**

<u>Year Ended</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter- Governmental Revenue</u>	<u>Charge for Services</u>	<u>Fines and Forfeitures</u>	<u>Use of Money and Property</u>	<u>Reimbursements</u>	<u>Total</u>	<u>Transfers In</u>
1993	\$12,748,696	\$10,086	\$2,972,543	\$3,692,538	\$431,651	\$540,837	\$196,584	\$20,592,935	\$902,675
1994	13,192,467	9,914	3,438,452	4,397,498	570,176	631,114	327,040	22,566,661	687,818
1995	13,626,994	10,711	3,773,133	4,709,219	725,415	1,101,745	484,821	24,432,038	613,000
1996	14,138,772	9,883	3,898,735	4,947,125	712,541	1,464,549	544,403	25,716,008	1,358,000
1997	14,870,875	9,010	5,304,708	5,159,365	760,106	996,431	353,912	27,454,407	6,604
1998*	15,629,285	6,471	3,302,005	4,580,981	566,890	822,107	247,035	25,154,774	672,054
1999	16,540,187	7,984	5,000,396	6,229,764	824,026	931,410	405,404	29,939,171	1,351,116
2000	17,452,197	14,405	5,625,556	7,194,265	868,407	1,033,331	626,581	32,814,742	-
2001	18,398,271	18,532	5,613,337	7,332,026	804,708	1,246,521	713,468	34,126,863	-
2002	19,571,024	11,884	6,012,779	7,873,087	854,490	823,734	330,505	35,477,503	-

\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

# County of Muskegon

**PROPERTY TAX LEVIES AND CURRENT COLLECTIONS - COUNTY OPERATING**  
**Ten years ended September 30, 2002**  
**(Unaudited)**

<u>Year Ended</u>	<u>Taxable Value</u>	<u>Adjustments**</u>	<u>Adjusted Taxable Value</u>	<u>County Operating Millage</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>
1993	\$2,076,999,023	(\$40,232,110)	2,036,766,913	5.8416	\$11,897,978	\$10,399,272	87.40%
1994	2,143,790,778	(38,688,405)	2,105,102,373	5.8416	12,297,166	10,923,071	88.83
1995	2,235,210,935	(38,048,470)	2,197,162,465	5.8416	12,834,944	11,401,912	88.83
1996	2,368,522,187	(54,716,929)	2,313,805,258	5.8416	13,516,325	12,022,505	88.95
1997	2,523,548,228	(72,125,775)	2,451,422,453	5.8416	14,320,229	12,727,517	88.88
1998***	2,639,408,331	(75,516,093)	2,563,892,238	5.8416	14,977,233	13,252,658	88.49
1999	2,808,287,454	(99,298,910)	2,708,988,544	5.8240	15,777,149	14,051,256	89.06
2000	2,969,387,077	(93,762,471)	2,875,624,606	5.7966	16,668,846	14,820,682	88.91
2001	3,244,251,018	(123,690,773)	3,120,560,245	5.7490	17,940,101	15,983,464	89.09
2002	3,453,067,789	N/A	3,453,067,789	5.6984	19,676,961	N/A	N/A

\*Tax collections are not received from local units until after December 1, and are not delinquent until March 1 of the following year.

\*\*2001 Adjustments:

Board of Review \$ (12,144,593)  
 Tax Tribunal (1,969,899)  
 Captured Value (109,576,281)

\*\*\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

(Source: Treasurer's Office)

# County of Muskegon

**PROPERTY TAX RATES AND TAX LEVIES (Per \$1,000 of Assessed Value)**  
**Ten years ended September 30, 2002**  
**(Unaudited)**

<u>Year Ended</u>	<u>Cities and Villages</u>	<u>Intermediate and Special Education School Districts</u>	<u>County, Veterans, Quality of Life and Museum</u>	<u>Townships and Community College</u>	<u>Authorities and Districts</u>	<u>Total</u>
<b>TAX RATES</b>						
1993	5.98	42.10	6.15	3.98		58.21
1994	6.04	19.39	6.22	3.80		35.45
1995	5.98	23.13	6.35	3.98		39.44
1996	6.21	22.27	6.71	5.40		40.59
1997	5.68	21.86	6.71	4.24		38.49
1998*	5.85	21.77	6.71	4.12	.03	38.48
1999	5.81	22.44	6.66	4.07	.25	39.23
2000	5.77	22.25	6.63	3.97	.25	38.87
2001	5.71	22.47	6.58	3.94	.73	39.43
2002	5.61	23.30	6.70	3.85	.70	40.16
<b>TAX LEVIES</b>						
1993	12,427,921	87,446,565	12,768,974	8,254,704		120,898,164
1994	12,966,934	41,601,695	13,344,669	8,150,961		76,064,259
1995	13,356,953	49,446,025	14,196,240	8,896,856		85,896,074
1996	14,714,175	52,732,928	15,900,758	9,163,942		92,511,803
1997	14,321,069	55,162,528	16,941,551	10,705,610		97,130,758
1998*	15,448,664	57,455,871	17,719,932	10,878,824	\$295,631	101,798,922
1999	16,309,903	63,028,479	18,689,153	11,432,787	692,992	110,153,314
2000	17,133,161	66,074,157	19,673,971	11,778,425	727,626	115,387,340
2001	18,530,653	72,895,046	21,346,870	12,775,920	2,354,683	127,903,172
2002	19,382,368	80,462,399	23,120,755	13,301,390	2,428,642	138,695,554

NOTE: In 1994 the State of Michigan cut property taxes by approximately 40%.

\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

(Source: Apportionment Report)

## *County of Muskegon*

### ***ASSESSED AND EQUALIZED VALUE OF TAXABLE PROPERTY***

***Ten years ended September 30, 2002***

***(Unaudited)***

<u>Year Ended</u>	<u>Real Property</u>		<u>Personal Property Assessed and Equalized</u>	<u>Total* Equalized Value</u>
	<u>Assessed</u>	<u>Equalized</u>		
1993	\$1,845,805,589	\$1,847,780,923	\$229,218,200	\$2,076,999,123
1994	1,900,411,985	1,900,411,985	243,378,793	2,143,790,778
1995	2,018,055,820	2,018,055,820	262,577,109	2,280,632,929
1996	2,212,563,335	2,212,563,335	284,497,479	2,497,060,814
1997	2,387,631,165	2,387,631,165	305,952,455	2,693,583,620
1998**	2,579,575,879	2,579,575,879	297,193,181	2,876,769,060
1999	2,855,886,609	2,855,886,609	335,828,832	3,191,715,441
2000	3,129,275,639	3,129,275,639	346,259,444	3,475,535,083
2001	3,496,502,024	3,496,502,024	400,008,060	3,896,510,084
2002	3,912,057,046	3,912,057,046	372,213,387	4,284,270,433

\*The Michigan Constitution and Statutes provide that property is to be assessed and equalized at up to 50% of its fair market value.

\*\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

(Source: Equalization Report)

## *County of Muskegon*

### ***PROPERTY VALUE AND CONSTRUCTION***

***Ten fiscal years ended September 30, 2002***

***(Unaudited)***

<u>Year Ended</u>	<u>New Commercial Construction Value</u>	<u>New Residential Construction Value</u>	<u>True Cash Property Value</u>
1993	\$14,055,322	\$56,347,620	\$4,153,998,046
1994	17,166,900	59,050,850	4,287,581,556
1995	29,162,966	85,559,942	4,561,256,858
1996	30,456,130	89,355,554	4,994,121,628
1997	25,773,580	100,736,464	5,387,167,240
1998*	22,621,500	102,850,504	5,753,538,120
1999	27,558,076	128,191,080	6,383,430,882
2000	44,443,426	137,791,482	6,951,070,166
2001	59,723,136	140,136,528	7,793,020,168
2002	90,404,622	145,228,152	8,568,540,866

\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

( Source: Equalization Department )

*County of Muskegon*

***RATIO OF NET GENERAL BONDED DEBT TO  
EQUALIZED VALUE AND NET BONDED DEBT PER CAPITA  
Ten years ended September 30, 2002  
(Unaudited)***

<u>Year Ended</u>	<u>Population</u>	<u>Equalized Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Equalized Value</u>	<u>Net Bonded Debt per Capita</u>
1993	158,983*	\$2,076,999,023	\$2,465,000	0.12%	\$15.50
1994	158,983	2,143,790,778	2,280,000	0.11	14.34
1995	158,983	2,280,632,929	2,095,000	0.09	13.18
1996	158,983	2,497,060,814	17,910,000	0.72	112.65
1997	158,983	2,693,583,620	17,728,000	0.66	111.51
1998**	158,983	2,876,769,060	17,355,000	0.60	109.16
1999	158,983	3,191,715,441	17,490,000	0.55	110.01
2000	170,200	3,475,535,083	16,890,000	0.49	99.24
2001	170,200	3,896,510,084	16,230,000	0.42	95.36
2002	170,200	4,284,270,433	15,520,000	0.36	91.19

\*Based on 1990 census

\*\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

*County of Muskegon*

**STATEMENT OF DIRECT AND OVERLAPPING DEBT**

**September 30, 2002**

**(Unaudited)**

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to this Governmental Unit</u>	<u>Share of Debt</u>
County Issued Bonds Paid by			
Local Municipalities	\$22,950,000	100%	\$22,950,000
County at Large	44,135,000	100	44,135,000
Tax Anticipation Notes	<u>11,500,000</u>	100	<u>11,500,000</u>
Direct Debt	78,585,000		78,585,000
 Muskegon Community			
College & Intermediate School			
Districts	92,769	100	92,769
School Districts	305,182,348	99.9	304,877,166
Cities, Villages and Townships	37,937,005	100	37,937,005
White Lake District Library	<u>1,655,000</u>	100	<u>1,655,000</u>
Overlapping Debt	344,867,122		344,561,940
 Total Direct and Overlapping Debt	<u>\$423,452,122</u>		<u>\$423,146,940</u>

(Source: Municipal Advisory Council)

*County of Muskegon*

**STATEMENT OF LEGAL DEBT MARGIN**

**September 30, 2002**

**(Unaudited)**

State Equalized Value		<u>\$4,284,270,433</u>
Debt Limit 10 Percent of Equalized Value		428,427,043
Amount of Debt Applicable to Debt Limit		
Total Bonded Debt	\$78,585,000	
Other Debt	<u>8,548,631</u>	
	87,133,631	
Less Assets Available for Debt Retirement	<u>35,061,054</u>	
Total Amount of Debt Applicable to Debt Limit		<u>52,072,577</u>
Legal Debt Margin		<u>\$376,354,466</u>

*County of Muskegon*

***RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES***

*Ten years ended September 30, 2002  
(Unaudited)*

<u>Year Ended</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1993	\$185,000	\$179,841	\$364,841	\$21,031,469	2%
1994	185,000	167,693	352,693	23,082,327	2
1995	185,000	155,359	340,359	25,039,465	1
1996	185,000	302,841	487,841	26,666,322	2
1997	185,000	1,283,473	1,468,473	28,796,748	5
1998**	480,000	946,298	1,426,298	25,676,753	6
1999	515,000	918,204	1,433,204	30,804,586	5
2000	600,000	817,664	1,417,664	32,585,506	4
2001	660,000	785,785	1,445,785	33,172,223	4
2002	710,000	763,036	1,473,036	35,769,363	4

\*Serial maturities in the case of serial bonds; annual debt service fund requirements in the case of term bonds.

\*\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

## *County of Muskegon*

### ***SPECIAL ASSESSMENT COLLECTIONS***

***Ten years ended September 30, 2002***

***(Unaudited)***

<u>Year Ended</u>	<u>Current Assessments Due</u>	<u>Current Assessments Collected</u>	<u>Ratio of Collections to Amount Due</u>	<u>Total Outstanding Assessments</u>
1993	\$2,400,000	\$2,400,000	100%	\$13,990,000
1994	1,739,273	1,739,273	100	12,250,727
1995	1,347,552	1,347,552	100	10,903,175
1996	2,502,552	2,502,552	100	8,400,623
1997	872,552	872,552	100	7,528,071
1998*	1,397,552	1,397,552	100	6,130,519
1999	1,275,000	1,275,000	100	6,180,000
2000	1,150,000	1,150,000	100	5,030,000
2001	1,325,000	1,325,000	100	11,355,000
2002	1,350,000	1,350,000	100	10,005,000

\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

# County of Muskegon

**REVENUE BOND COVERAGE  
WASTEWATER MANAGEMENT SYSTEM  
Ten years ended September 30, 2002  
(Unaudited)**

Year Ended	Gross Revenues(1)	Direct Operating Expenses(2)	Net Revenue Available for Debt Service	Debt Service Requirements(3)			% Coverage
				Principal	Interest	Total	
1993	\$3,637,740	\$3,371	\$3,634,369	\$1,525,000	\$2,020,388	\$3,545,388	1.03%
1994	3,487,852	5,115	3,482,737	5,050,000	1,938,325	6,988,325(4)	0.50
1995	2,501,964	1,687	2,500,277	850,000	831,225	1,681,225	1.49
1996	1,038,942	448,911 (5)	590,031	100,000	571,958	671,958	0.88
1997	1,720,963	1,477	1,719,486	645,000	1,113,807	1,758,807	0.98
1998*	2,182,903	707	2,182,196	2,005,000	491,219	2,496,219	0.87
1999	2,785,942	1,575	2,784,367	1,725,000	1,000,594	2,725,594	1.02
2000	2,643,950	1,325	2,642,625	1,695,000	922,306	2,617,306	1.01
2001	2,535,551	12,636	2,522,915	1,665,000	841,131	2,506,131	1.01
2002	3,478,515	2,199	3,476,316	1,910,000	756,940	2,666,940	1.30

(1) Total revenues including interest

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

(3) Includes principal and interest of revenue bonds only

(4) Paid off 16 million dollar bond 3 years early in 1994

(5) Refunded 13.75 million of 23 million dollar bond in 1996

\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

## *County of Muskegon*

### ***SALARIES OF PRINCIPAL OFFICIALS***

***September 30, 2002***

***(Unaudited)***

**Group I      \$80,000 - \$114,500**

County Administrator/Controller  
DPW Director  
Mental Health Director

Probate Court Judge  
Prosecutor  
Prosecutor - Chief Assistant

Sheriff  
Trial Lawyer - Chief  
Wastewater System Director

**Group II      \$65,000 - \$80,000**

Administrator/Brookhaven  
Assistant Family Division Admin Legal  
Budget Director  
Circuit Court Adm/Friend of the Court  
County Treasurer  
Director Health/Community Resources  
District Court Administrator

Drain Commissioner  
Employment and Training Director  
Equalization Director  
Human Resources Director  
Information Systems Manager  
Library Director  
Mental Health Assistant Director

Prosecutor, Senior Assistant  
Public Health - Epidemiologist  
Senior Psychologist  
Transportation Director  
Wastewater Assistant Director

**Group III      \$50,000 - \$65,000**

Accounting Director  
Admin. Asst./Clinical Services/Brookhaven  
Admin. Asst./Support Services/Brookhaven  
Assessment Admin Supervisor  
Assistant Family Court Admin Operator  
Assistant Prosecutor II  
Attorney Magistrate - District Court  
Captain  
Central Dispatch  
Chief Deputy Admin Clerk  
Clinical Services Supervisor I  
Clinical Services Supervisor II  
Compliance Review Supervisor/CMH

Deputy Family Division Admin  
Deputy Health Officer  
Employment & Training Deputy Director  
Facilities Manager  
Family Court Project Manager  
Family Division - Referee  
Human Resources Director  
Information Systems Integrator  
Information Systems Tech III  
Juvenile Detention Center Superintendent  
Laboratory Supervisor  
Lieutenant  
Lieutenant-BA Degree

Program Supervisor  
Property Manager  
Prosecutor, Senior Assistant  
Public Health Finance Supervisor  
Public Works Engineer  
Purchasing Manager  
Quality Manager/CMH  
Register of Deeds  
Risk Manager  
Senior Budget Specialist  
Sergeant  
Solid Waste Supervisor  
Tourism Development Manager

*County of Muskegon*

***SALARIES OF PRINCIPAL OFFICIALS - CONTINUED***

*September 30, 2002*

*(Unaudited)*

**Group III     \$50,000 - \$65,000 (continued)**

Computer Operations Manager/CMH  
Contract Specialist/CMH  
County Clerk  
Criminal Justice Manager  
Dietitian - Contracted  
Deputy Equalization Director

Maternal/Child Service Supervisor  
Mental Health Finance Director  
Network Manager/CMH  
Nursing Director Assistant/Brookhaven  
Nursing Supervisor/Brookhaven  
Probate Register

Transit Systems Manager  
Undersheriff  
Wastewater Engineer/O & M Manager  
Wastewater Farm Manager  
Wastewater Maintenance Supervisor

# *County of Muskegon*

## **LABOR AGREEMENTS**

**September 30, 2002**

**(Unaudited)**

	Expiration
Local 517M, Service Employees International AFL-CIO, Professional and Clerical Division	
Wastewater/Public Works	12/31/04
Local 79, Services Employees International Union	
Licensed Practical Nurses	12/31/04
Local 570, Council 25, American Federation of State, County and Municipal Employees, AFL-CIO	
Brookhaven Employees	12/31/02
Teamsters Local 214, Affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America	
Sheriff Corrections Officers	12/31/04
Sheriff Deputies	12/31/04
Sheriff Command Officers	12/31/04
District Court Employees	12/31/02
General Employees Unit	12/31/04
CMH Aide Unit	12/31/04
Michigan Nurses Association	
Health Department Nurses	12/31/02
Professional Command Association	
Sheriff Captains	12/31/04

(Source: Human Resources Department)

**County of Muskegon**  
**SCHEDULE OF INSURANCE IN FORCE**  
**September 30, 2002**  
**(Unaudited)**

Type of Coverage  
Name of Agent  
Name of Insurer

<u>Policy Number</u>	<u>Policy Period</u>	<u>Annual Premium</u>	<u>Liability Limits</u>	<u>Details of Coverage</u>	
<b>WORKERS' COMPENSATION</b>					
US Fidelity & Guaranty Co.	XG099	1/1/00-1/1/03	\$42,273.00	\$5,000,000 per accident \$1,000,000 employers liability	\$300,000 self-insured retention
<b>PROPERTY INSURANCE</b>					
Travelers Insurance Co.	KTK-CMB-123D767-1-02	1/1/02-1/1/03	\$242,482.00	\$186,524,447.00	Replacement cost coverage for all property, per policy deductible, \$50,000.00
Travelers Property Casualty	BMG-968K423A	1/1/02-1/1/03	\$5,866.00	\$30,000,000.00	Boiler and machinery coverage, \$5,000.00 deductible
<b>LIABILITY INSURANCE</b>					
Royal/Sun Alliance	RHJ090134	1/1/00-1/1/03	\$231,691.00	\$10,000,000.00	Public Entity Liability policy, including auto liability, Public Officials medical and professional liability coverage, \$250,000 self-insured retention, excluding \$6,000,000 on Transit and \$1,000,000 on Brookhaven
Evanston Insurance Co.	SM812538	1/1/02-1/1/03	\$218,929.75	\$1,000,000.00	Hospital Professional and General Liability for Brookhaven with \$5,000 deductible
Old Republic	PR183801	11/19/01-11/19/02	\$9,563.00	\$10,000,000.00 \$1,000,000.00	Airport Liability coverage Hangar keepers coverage,

# County of Muskegon

## SCHEDULE OF INSURANCE IN FORCE - continued

September 30, 2002

(Unaudited)

Type of Coverage

Name of Agent

Name of Insurer

Policy Number

Policy Period

Annual Premium

Liability Limits

Details of Coverage

Michigan Transit Pool

N/A

12/1/01-12/1/02

\$47,808.60  
Deposit Prem.

\$6,000,000.00

Coverage for Muskegon Area  
Transit System, \$100,000 deductible

The Hartford

35BPEAG4816

1/1/00 until  
cancelled

\$4,309.00/  
3 years

\$100,000.00

Crime Insurance, \$1,000  
deductible

ProNational

HSV0100352

7/01/02-7/01/03

\$2,013.00

\$1,000,000.00 Occ.  
\$3,000,000.00 Agr.

Medical Professional Liability  
for jail healthcare operations.  
-0- deductible

ProNational

OCC0417201

8/1/02-8/1/03

\$5,852.00

\$200,000.00 / Incident

Professional liability for Jail  
Physician. Muskegon  
County named additional insured

Royal/Sun Alliance

OHO12839

1/1/02-2/1/03

\$3,500.00

\$1,000,000.00

Wharfingers legal liability.  
Coverage for landing & mooring  
@ Heritage Landing. \$250,000  
deductible.

Royal/Sun Alliance

OHO12840

1/1/02-1/1/03

\$3,400.00

\$4,000,000.00

Excess Wharfingers legal liability  
over \$1,000,000. Coverage for  
landing & mooring @ Heritage  
Landing.

**County of Muskegon**

**SCHEDULE OF INSURANCE IN FORCE - continued**

**September 30, 2002**

**(Unaudited)**

Type of Coverage

Name of Agent

Name of Insurer

Policy Number

Pol. Period

Annual Premium

Liability Limits

Details of Coverage

**EMPLOYEE INSURANCE COVERAGE**

**MEDICAL/HOSPITAL INSURANCE**

Blue Cross/Blue Shield

62626

4/1/02-3/31/03

\$707,400.00

Spec. - \$50,000.00  
Agr. - \$8,525,030.00

Stop Loss Insurance

Self-Insured

N/A

Indefinite

Various

Specific- \$50,000.00

There are fifteen (15) different plans available based on employee or retiree status

**LIFE INSURANCE**

Mutual of Omaha

GLUG-67X2

7/1/01-7/1/04

\$0.185/thousand per month

Varies

Term Life Insurance on employee only. Minimum of \$10,000 or annual salary to next higher thousand.

**DENTAL INSURANCE**

Delta Dental

2993-0001

7/1/02-6/30/03

\$494.40

N/A

Class I-100% of prevent: Rest of Class I and Class II: 60%; \$1,000 maximum per family member, with no deductible. Unions 001, 002, 003, 006, 009 & 010

Delta Dental

2993-0003

7/1/02-6/30/03

\$460.32

N/A

Class I-100% of prevent: Rest of Class I and Class II: 50%; \$1,000 maximum per family member, with a \$75.00 per family deductible. Non-bargaining employees and Union 007.

**County of Muskegon**

**SCHEDULE OF INSURANCE IN FORCE - continued**

September 30, 2002

(Unaudited)

Type of Coverage

Name of Agent

Name of Insurer

Policy Number

Policy Period

Annual Premium

Liability Limits

Details of Coverage

Self-Insured

Indefinite

\$66.00 (Single)  
\$210.00 (Family)

N/A

Progressive paid on allowable charge:  
70%, 80%, 90% based on use, \$600 annual  
maximum per retiree, \$24.00 deductible per  
year per family. Retirees only are eligible for  
this program.

**LONG-TERM DISABILITY**

UNUM Insurance Company

25253

1/1/01-1/1/04

\$0.0039 times  
monthly payroll

66 2/3% of salary  
\$5,000 month

Long Term Disability; eligible after  
180 days disability.

**UNEMPLOYMENT COMPENSATION**

Annual Paid Claims

**COUNTY INSURANCE COVERAGES**

**TAX COLLECTION BONDS**

Kemper National Ins. Co.  
Summer Bonds

3SM634633-04

7/1/02-3/31/03

\$617.00

Percentage of summer  
tax rolls

Bonding of County Treasurer for  
collection of tax rolls.

Winter Bonds

3SM272091-14

12/1/02-3/31/03

\$9,112.00

Percentage of winter  
tax rolls

Bonding of County Treasurer for  
collection of tax rolls.

**TRAVEL INSURANCE**

Continental Casualty Co.

SR68041580

5/1/02-5/1/03

\$1,000.00

\$100,000.00/accident &  
\$500,000.00/aggregate

Death benefits cover travel,  
\$100,000.00/accident,  
\$500,000.00/aggregate.  
Various employees

**County of Muskegon**

**SCHEDULE OF INSURANCE IN FORCE - continued**

**September 30, 2002**

**(Unaudited)**

Type of Coverage

Name of Agent

Name of Insurer

Policy Number

Policy Period

Annual Premium

Liability Limits

Details of Coverage

**PATIENT TRUST BOND**

Western Surety Co.

69320631

4/15/02-4/15/03

\$235.00

\$25,000.00

Brookhaven Patient Trust Bond;  
\$25,000 Surety Bond required by State of  
Michigan.

**NAMED OFFICIAL PUBLIC OFFICIALS**

Universal Insurance Services

3S26488504

1/1/02-1/1/03

\$877.00

Individual bonds of  
various amounts

Covers elected officials plus  
selected employees. Liability limits: Individual  
bonds of various amounts.

***County of Muskegon***  
***AUTHORIZED POSITIONS BY DEPARTMENT***  
***For five years ended September 30, 2002***  
***(Unaudited)***

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b><u>Administration</u></b>					
Administrator	9	9	8	8	9
Accounting	10	12	12	12	12
Personnel	6	6	6	6	6
Purchasing	4	4	4	4	4
Office Services	4	4	4	4	4
Information Systems	12	11	11	12	12
Employment and Training	15	18	18	21	21
Risk Management	<u>5</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>8</u>
Total	65	70	69	74	76
<b><u>DPW-Transportation and Planning</u></b>					
Public Works	1	1	1	1	1
Airport	17	17	16	16	16
Transit	39	39	39	43	45
Wastewater	77	78	80	81	81
Solid Waste	10	10	10	10	11
Solid Waste-Fly Ash	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total	149	150	150	155	158
<b><u>General Government</u></b>					
County Clerk	6	6	6	6	6
County Clerk-Circuit Court Records	7	7	7	7	8
Equalization	15	15	20	22	23
Register of Deeds	8	8	9	9	9
Treasurer	10	10	10	10	10
Building Information Services	1	1	1	-	-
Drain Commission	5	5	5	4	4
MSU-Cooperative Extension	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total	54	54	60	60	62

**County of Muskegon**  
**AUTHORIZED POSITIONS BY DEPARTMENT - continued**  
**For five years ended September 30, 2002**  
**(Unaudited)**

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<u>Judicial Administration</u>					
Circuit Court	21	21	20	19	19
District Court	49	48	53	54	56
District Court-Probation Assessment	2	2	2	2	2
Family Court-FOC Division	41	41	41	42	42
Friend of the Court Fund	2	3	-	-	-
Family Court-FOC Family Counseling	1	1	1	1	1
Family Court-FOC Medical Support	-	-	-	2	2
Family Court-FOC Welfare Support	-	-	-	1	1
Family Court-Juvenile Division	21	23	23	19	19
Family Court-Juvenile Diversion Program	3	1	1	1	-
Juvenile Court CASA Program	1	-	-	-	-
Family Court-Juvenile In Home Intensive	-	6	12	13	13
Juvenile Court-Juvenile Violence Reporting	-	1	-	-	-
Probate Court	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Total	148	154	160	161	162
<u>Legislative</u>					
Board of Commissioners	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Total	9	9	9	9	9
<u>Libraries and Recreation</u>					
Library	40	40	41	41	42
Parks	19	19	22	22	22
Convention/Visitor's Bureau	-	-	5	5	5
Fairgrounds	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	61	59	68	68	69
<u>Maintenance</u>					
Courthouse-Grounds	<u>19</u>	<u>21</u>	<u>21</u>	<u>24</u>	<u>24</u>
Total	19	21	21	24	24

**County of Muskegon**  
**AUTHORIZED POSITIONS BY DEPARTMENT - continued**  
**For five years ended September 30, 2002**  
**(Unaudited)**

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<u>Public and Mental Health</u>					
Health	97	107	106	110	110
Mental Health	309	302	302	255	256
Mental Health/AIS	4	-	-	-	-
Mental Health/Managed Care	-	14	17	66	68
Animal Shelter	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	421	423	425	431	434
<u>Public Safety</u>					
Prosecutor	28	22	22	20	20
Prosecutor-Cooperative Reimbursement	-	5	5	5	5
Prosecutor-Victim Witness Program	3	4	4	4	4
Prosecuort-Family Court FIA Grant	-	-	-	3	3
Prosecutor-Juvenile Accountability Incentive	-	-	1	2	2
Prosecutor-Project Cornerstone	-	-	2	2	2
Sheriff-Operations	94	106	106	108	108
Sheriff-Road Patrol Grant	-	2	2	2	2
Sheriff-School Liaison Grant	-	-	1	1	2
Sheriff-Marine	8	8	8	8	8
Sheriff-Township Patrols	-	-	-	5	5
Community Corrections	8	7	7	8	8
Emergency Services	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>
Total	143	156	160	171	172
<u>Social Services</u>					
Child Haven	16	16	16	16	16
Brookhaven	249	240	250	243	244
Juvenile Detention Center	<u>35</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>
Total	300	282	292	285	286
GRAND TOTAL	<u>1,369</u>	<u>1,378</u>	<u>1,414</u>	<u>1,438</u>	<u>1,452</u>

***County of Muskegon***  
***MISCELLANEOUS STATISTICAL DATA***  
***September 30, 2002***  
***(Unaudited)***

Date of Incorporation - July 18, 1859

Form of Government - Elected Board of Commissioners from Nine Districts

Area - 527.34 Square Miles

Miles of Sewers, Storm and Sanitary - 352

(Source: Department of Public Works)

Police Protection

Number of Employees	122
Jail Capacity	370
Vehicular Patrol Units	27

(Source: Sheriff's Department)

Parks and Recreation: Muskegon County has 30 miles of Lake Michigan shoreline. Three state parks and two county parks are located on Lake Michigan. Totally, there are nine county parks with 515 acres. In addition, the County operates Heritage Landing (located on Muskegon Lake) and a Fairgrounds Training Facility. There are 12,500 acres of national forest land.

(Source: Department of Public Works)

Education (K-12)

Number of School Districts	12
Number of Administrative Personnel	225
Number of Teachers	2,892
Number of Students	35,792
Number of Charter Schools	3

(Source: MAISD )

**County of Muskegon**  
**MISCELLANEOUS STATISTICAL DATA - CONTINUED**  
**September 30, 2002**  
**(Unaudited)**

Enterprises

<b>Wastewater Treatment</b>	
Number of Users	18
Data on Use of Consumption	31,000,000 Gallons per day
Plant Capacity	43,000,000 Gallons per day
Data on Distribution System	59% Industrial, 41% Residential

**Solid Waste**

Number of Users	12,000
Data on Use	71,014 Tons
Plant Capacity	934,499 Cubic yards

**Airport**

Number of Users	74,722 Passengers annually
Data on Use	86,564 Landings and take-offs (annually)
Present Capacity	138,888 Passengers annually

**Transit**

Number of Users	389,310
Data on Use	621,972 Miles traveled
Number of Buses	15

Employees as of September 30, 2002: 1,304

Election Data as of September 30, 2002:

Number of Registered Voters as of Last General Election	116,257
Number of Votes Cast In Last General Election (2000)	69,974
Percentage of Registered Voters Voting in Last General Election (2000)	60%
Last County Election (2001)	6%

( Source: County Clerk's Office )

## County of Muskegon

### MISCELLANEOUS STATISTICAL DATA - CONTINUED

September 30, 2002

(Unaudited)

Residential Characteristics - According to the 2000 U.S. Census, there were 68,556 housing units located within the County. The breakdown of dwelling units is as follows: Single Family, 76%; Multi-Family, 16% and Mobile Home, 8%; of these, 77.7% are owner occupied.

Population County for Last U.S. Census (2000) 170,200 Estimated Population in 2002: 171,800

#### Age Distribution of Population (2000 Census)

	<u>Male</u>	<u>Female</u>
Total Population	84,419	85,781
Under 5 years	3.3%	3.4%
5 to 9 years	3.7	3.8
10 to 19 years	7.3	7.4
20 to 44 years	18.0	18.3
45 to 64 years	11.2	11.3
Over 65 years	6.1	6.2

#### Retail Sales

1993	\$1,104,058,000	1998	\$1,522,000,000
1994	1,236,288,000	1999	1,710,662,000
1995	1,299,733,000	2000	1,782,984,000
1996	1,358,224,000	2001	1,803,714,000
1997	1,419,899,000	2002	N/A

(Source: GVSU/Office of Economic Expansion-Seidman School of Business)

Household Income - According to the 2000 U.S. Census, there are 68,556 households in Muskegon County. (The median household income in 2001 was \$38,008; per capita personal income was \$17,967 in current dollars.)

(Source: GVSU/Office of Economic Expansion-Seidman School of Business)

**County of Muskegon**

**MISCELLANEOUS STATISTICAL DATA - CONTINUED**

**September 30, 2002**

**(Unaudited)**

Approximate

Principal Taxpayers - 2002

<u>Taxpayer</u>	<u>Business</u>	<u>Equalized value</u>	<u>Percentage total of assessed Evaluation</u>
Consumers Energy	Electric	\$107,026,300	3.10%
Sappi, Inc.	Paper products	62,352,600	1.81
Howmet Corp	Aerospace	56,663,700	1.64
Sun Chemical Co	Pigments	23,058,100	0.67
DTE Energy	Natural Gas	20,619,600	0.60
Hayes-Lemmerz International	Automotive	18,120,600	0.52
THF Fruitport Dev LP	Real Estate	16,773,300	0.49
Johnson Technology Inc	Aerospace	12,612,100	0.37
Knoll Group	Office Furniture	11,758,100	0.34
Lorin Industries	Coil Anodizing	<u>11,035,200</u>	<u>0.32</u>
		\$340,019,600	9.86%

Total Taxable - \$3,453,067,789

<u>By Use</u>		<u>By Class</u>	
Residential	67.14%	Real Property	89.23%
Commercial	14.92	Personal Property	10.77
Personal	10.77		
Industrial	5.42		
Agricultural	1.75		

(Source: Equalization Department)

# *County of Muskegon*

## **MISCELLANEOUS STATISTICAL DATA - CONTINUED**

**September 30, 2002**

**(Unaudited)**

Approximate

<u>Largest Employers</u>	<u>Number of Employees</u>
Howmet Corp.	2,600
Mercy General Health Partners	1,900
Hackley Hospital	1,700
County of Muskegon	1,300
Meijer Inc.	1,100
Dana Corporation	800
The Knoll Group	620
Sappi, Inc.	570
Johnson Technologies	510
General Dynamics Land Systems	500
ADAC Plastics	490

(Source: Muskegon Area Chamber of Commerce)