

COUNTY OF MUSKEGON

Muskegon, Michigan



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003

PREPARED BY
DEPT. OF FINANCE & MANAGEMENT SERVICES/ACCOUNTING

JOSEPH W. SIEDENSTRANG, CPA
ACCOUNTING MANAGER

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

County of Muskegon
Muskegon, Michigan

September 30, 2003

BOARD OF COMMISSIONERS **PAUL T. BAADE, CHAIRMAN**

DOUGLAS BENNETT
CHARLES BUZZELL
JAMES DEREZINSKI
MARVIN ENGLE
BILL GILL

LOUIS MCMURRAY
ROBERT SCOLNIK
JOHN SNIDER
NANCY WATERS
STEPHEN WISNIEWSKI

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) 724-6520 • FAX (231) 724-6673
ADMINISTRATION

BOARD OF COMMISSIONERS

Paul T. Baade, Chair
Bill Gill, Vice-Chair
Douglas A. Bennett
Charles L. Buzzell
James J. Derezinski
Marvin R. Engle
Louis A. McMurray
Robert Scolnik
I. John Snider II
Nancy A. Waters
Stephen R. Wisniewski

December 16, 2003

To Honorable Paul T. Baade, 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, 2003.

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, 2003, 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, 2003, 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 ten 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, 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. Certain roadway services are provided by our component unit, the Muskegon County Road Commission.

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 Administrator in February. 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 remain vibrant. Important individual companies in the County, their employment and business are as follows:

Brunswick Indoor Recreation Group - This company has approximately 365 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. Howmet manufactures investment grade castings for the aerospace industry. Howmet is the largest defense contractor in West Michigan.

Mercy General Health Partners - This company employs approximately 2,400 employees and is the County's largest employer. 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 380 employees. It manufactures quality office furniture, accessories, and modular furniture.

Sappi Fine Paper - This company has approximately 550 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 550 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 500 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 (1300), Holland USA (365, automobile supplier), Adac Plastics (450), Meijer Inc. (1100, 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 \$1,802,418 in 2003. Interest returns on investments in 2002 and 2003 were as follows:

	<u>2002</u>	<u>2003</u>
Treasury Bills	1.54-6.75 %	1.11-5.85 %
Certificates of Deposit	1.72-7.19	1.06-3.00
Commercial Paper	1.67-3.73	1.26-2.21
Money Market	1.50-2.75	.563-1.61

The average daily investment was \$89.8 million. Treasury bills averaged \$24.3 million. Certificates of deposit averaged \$43.2 million. Commercial paper averaged \$12.7 million, and money market funds averaged \$9.6 million. This resulted in an average yield of 2.02 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, 2002, in funding 93 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 2003, independent auditors were engaged for the twenty eighth 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

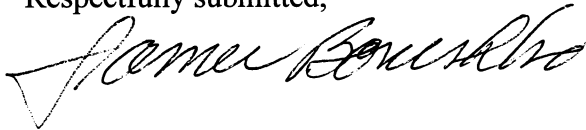
Financial Reporting to the County of Muskegon for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2002. This was the twenty fifth consecutive year that the county has received this prestigious national award recognizing conformance with the highest standards for preparation 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 Finance and Management 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 black ink, appearing to read "James Borushko". The signature is fluid and cursive, with a large initial "J" and a stylized "B".

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, 2002

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.

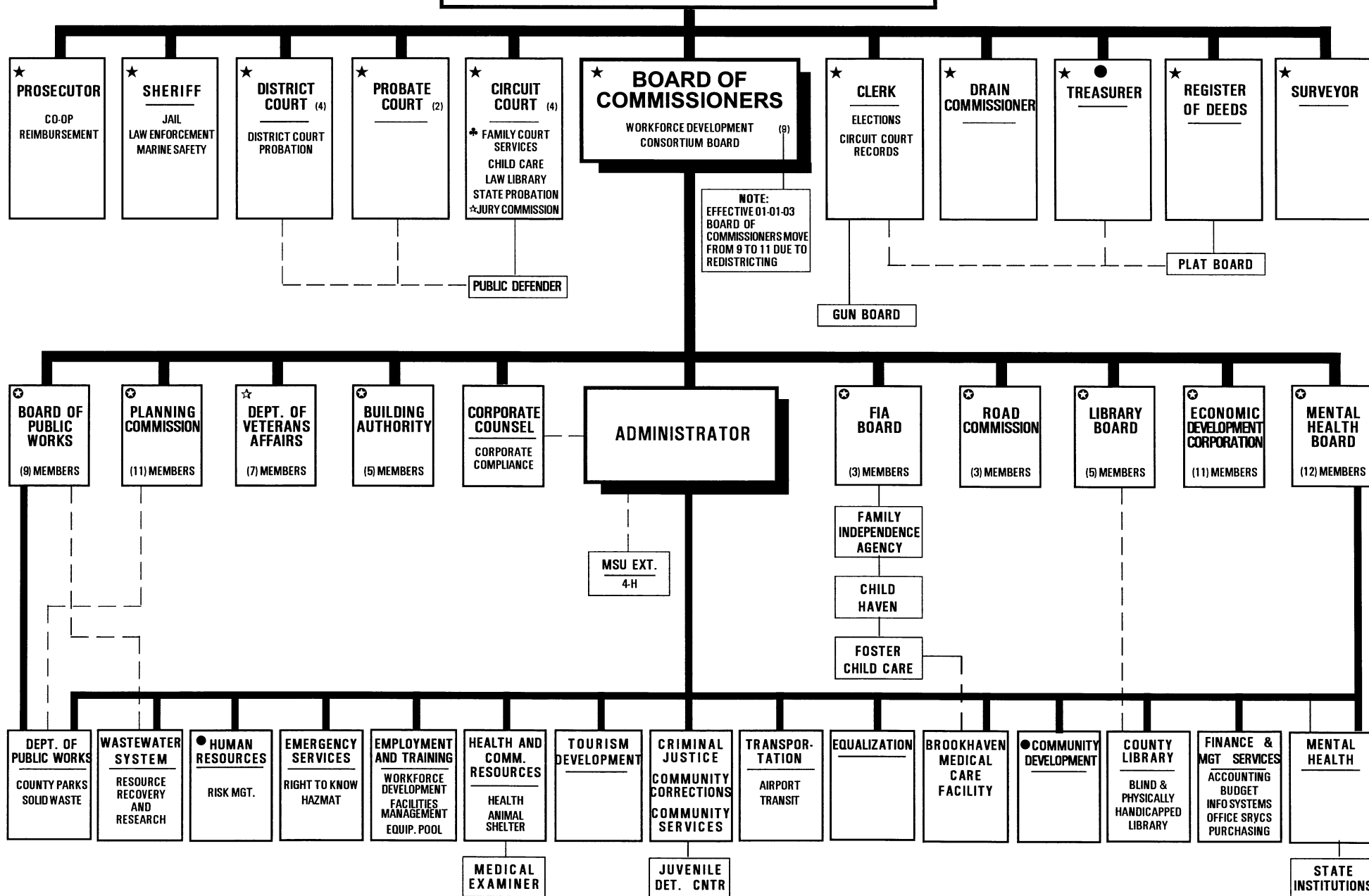


President

Executive Director

2003 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)

Revised 3/03

County of Muskegon
List of Elected Officials
September 30, 2003

COMMISSIONERS

STEPHEN R. WISNIEWSKI, DISTRICT 1
CHARLES L. BUZZELL, DISTRICT 2
I. JOHN SNIDER II, DISTRICT 3
JAMES J. DEREZINSKI, DISTRICT 4
MARVIN R. ENGLE, DISTRICT 5
NANCY A. WATERS, DISTRICT 6

DOUGLAS BENNETT, DISTRICT 7
BILL GILL, DISTRICT 8
LOUIS A. MCMURRAY, DISTRICT 9
PAUL T. BAADE, DISTRICT 10
ROBERT SCOLNIK, DISTRICT 11

COUNTY OFFICIALS

KAREN BUIE, COUNTY CLERK
JAN (JOHN) KOENS, COUNTY TREAS.
MARK F. FAIRCHILD, REG. OF DEEDS
GEORGE M. JURKAS, 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, 2003, 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, 2003, 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 29 and pages 94 through 101 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 12, 2003, 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 12, 2003

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, 2003. 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 \$161,262,652 at the close of Fiscal year 2003.

The largest portion of net assets in the County (78%) 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	
	2003	2002	2003	2002	2003	2002
Cash and Investments	\$25,195,818	\$30,089,348	\$38,986,311	\$47,951,222	\$64,182,129	\$78,040,570
Receivables	24,419,839	26,495,561	9,810,425	10,859,414	34,230,264	37,354,975
Other Current Assets	60,239	113,628	1,153,468	1,544,878	1,213,707	1,658,506
Long Term Assets	1,000,000	1,000,000	-	-	1,000,000	1,000,000
Fixed Assets	64,600,478	64,938,564	119,658,793	111,871,254	184,259,271	176,809,818
Total Assets	115,276,374	122,637,101	169,608,997	172,226,768	284,885,371	294,863,869
Other Liabilities	26,227,925	31,788,633	15,261,488	13,537,774	41,489,413	45,326,407
Long Term Liabilities	38,446,118	40,399,354	43,687,188	46,649,389	82,133,306	87,048,743
Total Liabilities	64,674,043	72,187,987	58,948,676	60,187,163	123,622,719	132,375,150
Net Assets:						
Investment in fixed assets						
net of related debt	42,415,478	41,673,564	83,728,971	74,190,129	126,144,449	115,863,693
Restricted	7,443,540	10,581,280	3,670,124	8,946,543	11,113,664	19,527,823
Unrestricted	743,313	(1,415,137)	23,261,226	28,902,933	24,004,539	27,487,796
Total Net Assets	<u>\$50,602,331</u>	<u>\$50,839,707</u>	<u>\$110,660,321</u>	<u>\$112,039,605</u>	<u>\$161,262,652</u>	<u>\$162,879,312</u>

A portion (7%) of the County's net assets have certain restrictions placed on their use. The remaining balance of unrestricted net assets (\$24,004,539) can be used to meet the County's ongoing obligations to its residents and creditors.

A major portion (23%) 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 decreased the County's net assets by \$237,376. This decrease was primarily due to decreases in investment earnings and capital grants. Other elements of the decrease are as follows:

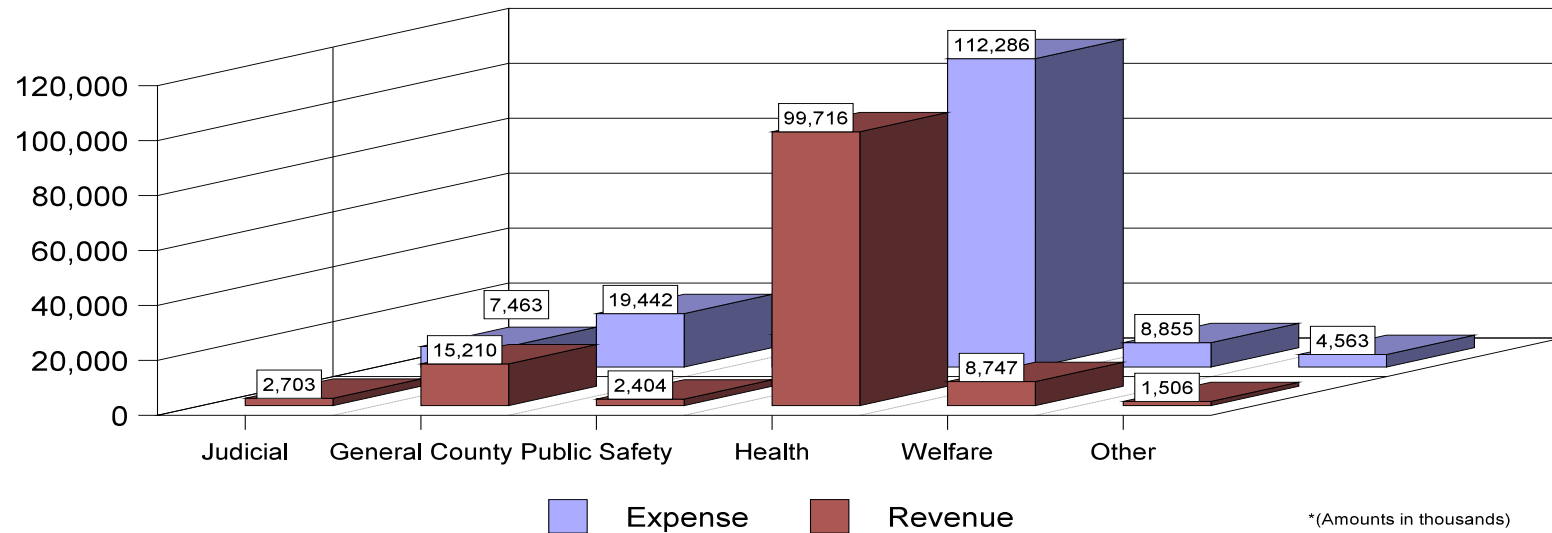
Muskegon County Changes in Net Assets

	Governmental Activities 2003	Governmental Activities 2002	Business-type Activities 2003	Business-type Activities 2002	Total 2003	Total 2002
Revenues						
Program Revenues						
Operating Grants and Contributions	\$32,283,324	\$33,340,106	\$2,416,330	\$2,371,601	\$34,699,654	\$35,711,707
Charges for services/Sales	97,202,683	77,062,856	17,017,537	16,926,078	114,220,220	93,988,934
Capital Grants and contributions	800,000	1,487,815	3,348,523	8,428,878	4,148,523	9,916,693
General Revenues						
Taxes	23,196,374	22,013,150	-	-	23,196,374	22,013,150
Investment Earnings	927,447	1,567,050	874,971	1,504,676	1,802,418	3,071,726
Rentals	733,734	966,596	-	-	733,734	966,596
Contributions from private sources	649,743	180,182	-	-	649,743	180,182
Gain(loss)on Sale of Assets	(41,920)	(27,413)	-	-	(41,920)	(27,413)
Other	6,889,455	5,513,231	1,530,335	1,013,927	8,419,790	6,527,158
Total Revenues	\$162,640,840	\$142,103,573	\$25,187,696	\$30,245,160	\$187,828,536	\$172,348,733

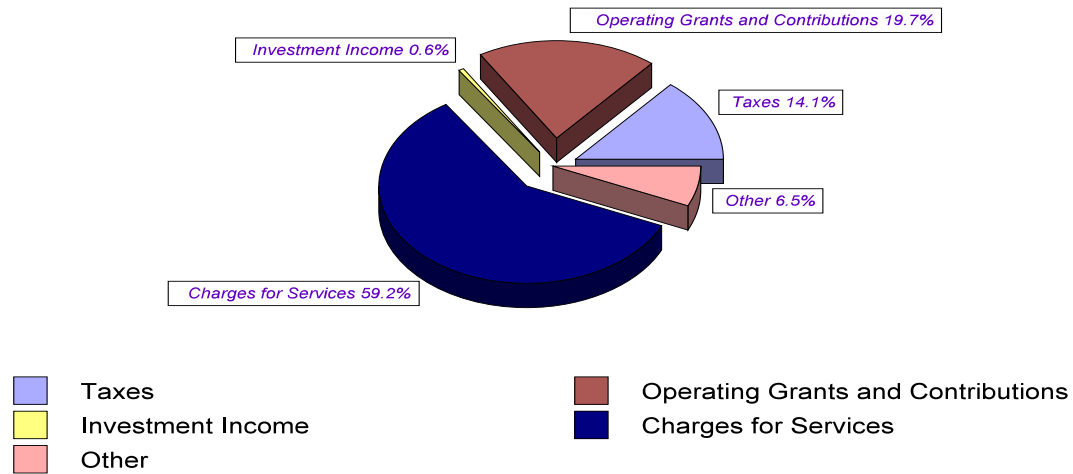
Muskegon County Changes in Net Assets (continued)

	Governmental Activities 2003	Governmental Activities 2002	Business-type Activities 2003	Business-type Activities 2002	Total 2003	Total 2002
Expenses						
Legislative	\$369,305	\$323,109	\$ -	\$ -	\$369,305	\$323,109
Judicial	7,462,674	7,030,697	-	-	7,462,674	7,030,697
General County Government	19,442,421	19,840,277	-	-	19,442,421	19,840,277
Public Safety	11,844,387	10,804,338	-	-	11,844,387	10,804,338
Health	112,285,843	89,691,075	-	-	112,285,843	89,691,075
Welfare	8,854,982	7,745,042	-	-	8,854,982	7,745,042
Culture	1,938,129	1,829,362	-	-	1,938,129	1,829,362
Recreation	790,474	690,957	-	-	790,474	690,957
Other	279,942	341,299	-	-	279,942	341,299
Debt Service Interest	1,130,245	1,065,731	-	-	1,130,245	1,065,731
Debt Service Other	54,913	61,382	-	-	54,913	61,382
Solid Waste	-	-	3,266,744	1,193,500	3,266,744	1,193,500
Airport	-	-	2,762,826	2,685,590	2,762,826	2,685,590
Wastewater	-	-	14,418,353	13,559,405	14,418,353	13,559,405
Other proprietary funds	-	-	4,543,958	5,327,035	4,543,958	5,327,035
Total Expenses	164,453,315	139,423,269	24,991,881	22,765,530	189,445,196	162,188,799
Increase (decrease) in net assets before transfers	(1,812,475)	2,680,304	195,815	7,479,630	(1,616,660)	10,159,934
Transfers	<u>1,575,099</u>	<u>(1,360,566)</u>	<u>(1,575,099)</u>	<u>1,360,566</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net assets	(237,376)	1,319,738	(1,379,284)	8,840,196	(1,616,660)	10,159,934
Net Assets - October 1, 2002 (as restated)	50,839,707	49,519,969	112,039,605	103,199,409	162,879,312	152,719,378
Net Assets - September 30, 2003	<u>\$50,602,331</u>	<u>\$50,839,707</u>	<u>\$110,660,321</u>	<u>\$112,039,605</u>	<u>\$161,262,652</u>	<u>\$162,879,312</u>

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



- Property taxes increased by \$1,183,000 (5 percent) during the year. This continued increase reflects the continued growth of retail within the County.
- Charges for services increased 25% resulting from doubling of intergovernmental transfers this year
- Other revenues increased by \$1,260,000 (20%) due to increases in reimbursement into internal service funds reflecting the increased cost of medical and health benefits.
- Investment income dropped by 41% due to reductions in the interest rates earned on idle cash.

Business-type activities. Business-type activities decreased the County of Muskegon's net assets by \$1,379,284, accounting for 83% of the total shrinkage in the government's net assets. Operational cost increases at the Wastewater and Solid waste sites accounted for the major change.

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.

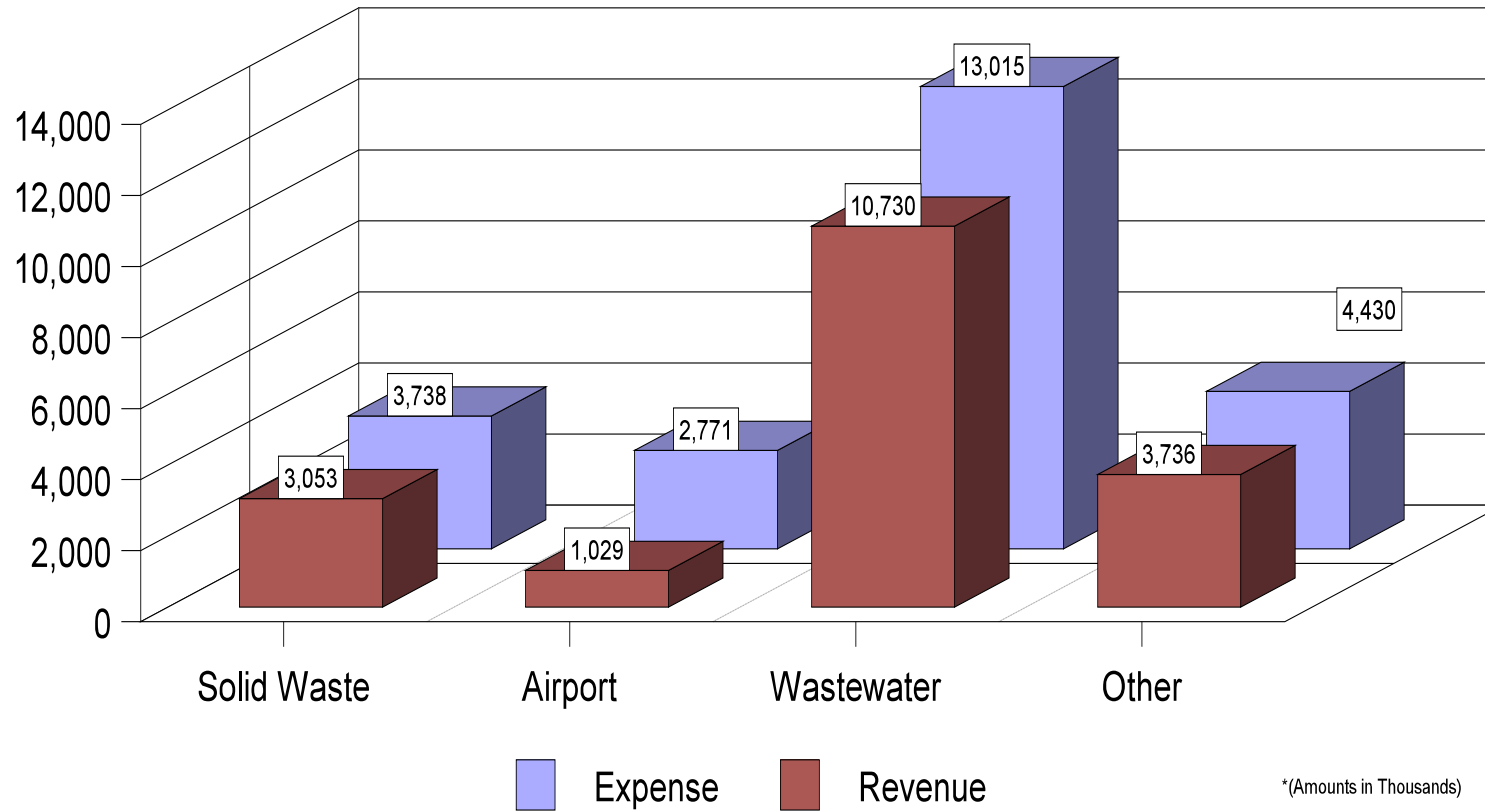
Governmental funds. The focus of the County of Muskegon's governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the County of Muskegon's financing requirements. In particular, unreserved fund balance may 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 \$16,857,633, a decrease of \$2,780,925 in comparison with the previous year. Approximately 48% of the fund balance (\$8,025,475) 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 (\$3,200,552), 2) to pay debt service (\$1,713,255), 3) to cover a potential bad debt from a prior capital project (\$800,000), 4) to hold for future grant expenditures (\$2,470,787), 5) for perpetual care (\$58,946), or for long term advances to other funds (\$588,618).

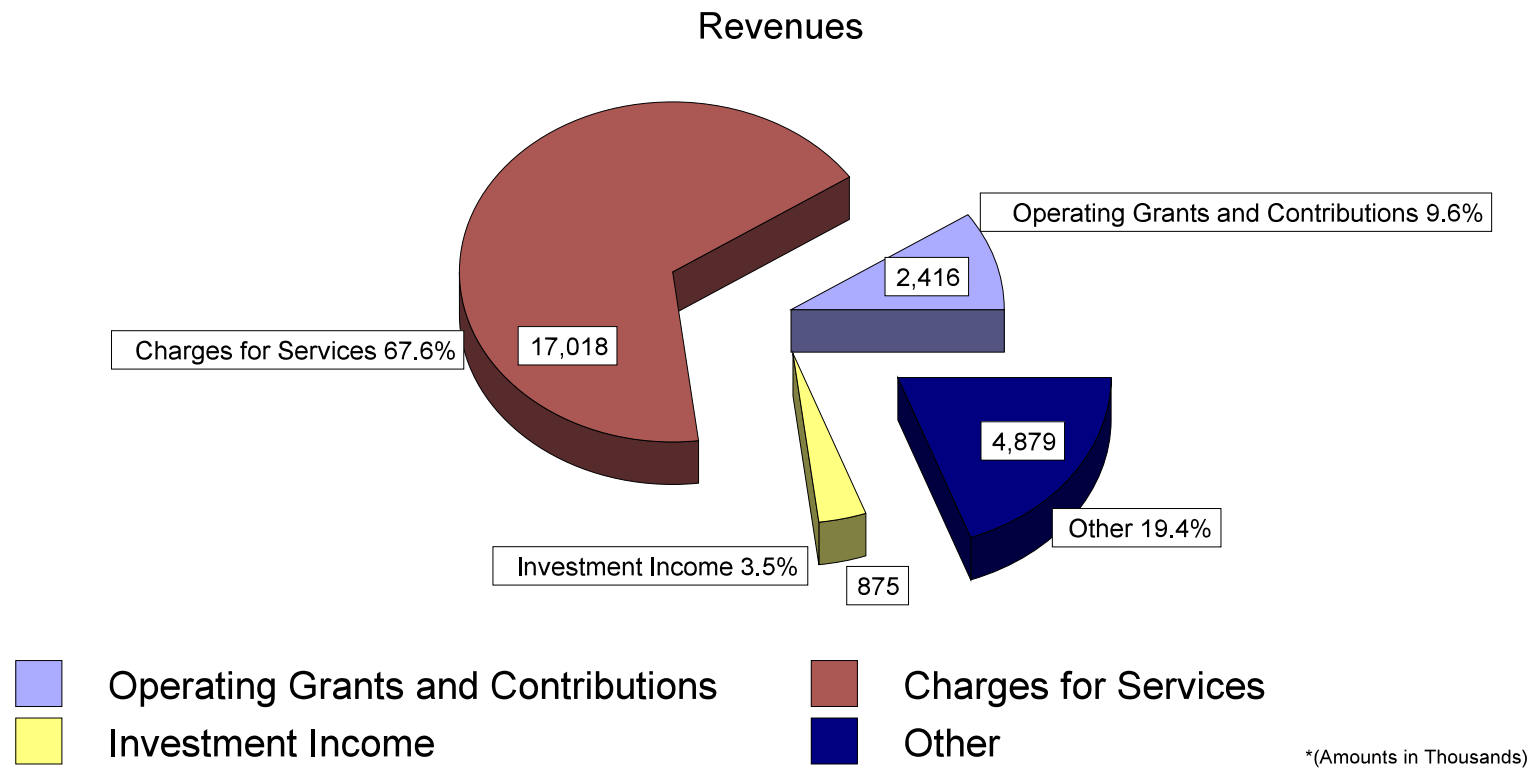
The general fund is the chief operating fund of the County of Muskegon. At the end of the current fiscal year, unreserved fund balance of the general fund was \$6,587,398 while total fund balance was \$7,176,991. As one measure of the general fund's liquidity, it is useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 17% of total general fund expenditures, while total fund balance represents 18% of that same amount. A comparison to prior year percentages show that unreserved fund balance went up by 1 percent while total fund balance decreased by 2 percent.

Major revenue items contributed to the \$1,423,000 increase in revenues. Property taxes increased by \$1,183,000, operating grants and charges for services increased \$530,000 and interest earnings went down \$201,000. Expenses in general county government increase \$1,814,000 to account for the net decrease in fund balance of \$391,000.

Expenses and Program Revenues - Business-Type Activities



Revenues by source - Business-Type activities



The debt service fund has a total fund balance of \$1,713,255, all of which is reserved for debt service payments. The decrease in the debt service fund balance of \$771,423 reflects the governmental decision to only put amounts into the debt funds sufficient for debt payments currently due and payable within one year. There were no bond issuances during the year and principal and interest payments for the current year decreased by \$340,000.

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 \$9,218,348, with the Airport and the Solid Waste site at \$249,186 and \$0, respectively. The total growth (reduction) in net assets for these three funds was (\$1,402,212), \$1,044,925, and (\$1,244,591), 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 (1%) and is briefly summarized as follows:

- Decreases in the general government category due to a gypsy moth program not being necessary
- Increases in transfers out due to increased levels of funding for grant programs

Budgeted expenditures increased by approximately \$474,000. The largest increase was in transfers to the Airport fund for operations due to the drop in airport enplanements (\$506,000). 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, 2003 amounts to \$184 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 4%.

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

- Michael E. Kobza Hall of Justice remodeling (\$1,278,000)
- Wastewater new line expansion (\$7,411,000)
- Continued runway expansion (\$1,720,000)
- Family Court Imaging system (\$725,000)
- Solid Waste Equipment replacement (\$1,532,000)
- Solid Waste New Cell Construction (\$3,320,000)

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2003	2002	2003	2002	2003	2002
Land	\$4,078,102	\$4,078,102	\$13,895,672	\$11,088,122	\$17,973,774	\$15,166,224
Land Improvements	3,660,640	3,805,932	11,844,209	9,560,427	15,504,849	13,366,359
Lagoons	-	-	6,650,136	6,746,456	6,650,136	6,746,456
Buildings & Improvements	51,944,848	51,771,148	15,836,395	16,601,345	67,781,243	68,372,493
Machinery & Equipment	4,916,888	5,283,382	6,355,620	5,562,080	11,272,508	10,845,462
Wastewater collection and distribution system	-	-	47,379,362	42,298,826	47,379,362	42,298,826
Capitalized interest & engineering	-	-	3,983,357	4,251,969	3,983,357	4,251,969
Construction in progress	-	-	13,714,042	15,762,029	13,714,042	15,762,029
Total	<u>\$64,600,478</u>	<u>\$64,938,564</u>	<u>\$119,658,793</u>	<u>\$111,871,254</u>	<u>\$184,259,271</u>	<u>\$176,809,818</u>

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 \$72,865,000. Of this amount, \$22,185,000 comprises debt backed by the full faith and credit of the County; \$30,270,000 in revenue bonds backed by the County and participating municipalities; \$9,910,000 special assessment debt partially guaranteed by local municipalities; and finally, \$10,500,000 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>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
General Obligation Bonds	\$22,185,000	\$23,515,000	\$3,325,000	\$3,620,000	\$25,510,000	\$27,135,000
Special Assessment Debt with Governmental Commitment	9,910,000	10,720,000			9,910,000	10,720,000
Revenue Bond			26,945,000	29,230,000	26,945,000	29,230,000
Delinquent Tax Notes			10,500,000	11,500,000	10,500,000	11,500,000
Total	<u>\$32,095,000</u>	<u>\$34,235,000</u>	<u>\$40,770,000</u>	<u>\$44,350,000</u>	<u>\$72,865,000</u>	<u>\$78,585,000</u>

The County of Muskegon's total debt decreased by \$5,720,000 during the current fiscal year. The decrease is attributed to normal debt payoffs of \$21,710,000 and the sale of the current year notes and bonds in the amount of \$15,990,000. The County issues notes each year to fund property taxes that are unpaid by the due date of March 1st.

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 2002 ratio was .36% with the bonded debt per capita at \$91.19. In 2003, the ratio is .32% with a bonded debt per capita of \$86.66. 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, 2000 through September, 2003, Muskegon County unemployment rates as compared to national rates were as follows:

	<u>Employment Data</u>							
	<u>2003</u> <u>County</u>	<u>2003</u> <u>USA</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>
October	8.9	5.8	6.6	5.4	4.5	3.9	4.7	4.1
November	9.3	5.9	7.9	5.6	4.3	4.0	4.4	4.1
December	9.0	6.0	7.9	5.8	4.0	4.0	3.8	4.1
January	10.6	5.7	9.3	5.6	5.7	4.2	4.6	4.0
February	10.3	5.8	9.2	5.6	6.3	4.2	3.8	4.1
March	10.3	5.8	9.3	5.7	6.5	4.3	3.9	4.1
April	8.8	6.0	8.4	5.9	5.7	4.5	3.6	3.9
May	9.6	6.1	9.0	5.8	6.6	4.4	4.0	4.1
June	11.2	6.4	10.0	5.8	6.9	4.5	5.0	4.0
July	12.0	6.2	10.2	5.8	7.1	4.5	5.3	4.0
August	10.4	6.1	8.9	5.8	6.0	4.9	4.5	4.1
September	<u>9.8</u>	<u>6.1</u>	<u>8.8</u>	<u>5.7</u>	<u>6.1</u>	<u>4.9</u>	<u>4.7</u>	<u>3.9</u>
Average	<u>10.0</u>	<u>6.0</u>	<u>8.8</u>	<u>5.7</u>	<u>5.8</u>	<u>4.4</u>	<u>4.4</u>	<u>4.0</u>

Muskegon County's unemployment rate has increased compared to 2000. 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 help to stabilize and improve the unemployment rate.

General

The economic climate in Muskegon and West Michigan is uncertain. Unemployment has risen to a ten year high. Several projects and achievements have contributed to the growth and quality of living in Muskegon County. Some of the more significant are:

- Allowed free use of the New County Park for the “Oneness of Humankind Day” and the slavery ship Amistad
- Ran a full scale exercise for emergency and domestic preparedness in case of terrorism or chemical release
- Promoted and initiated the One Book/ One County program for increasing reading within the County
- Approved volunteers to run a canteen at the airport for early flights out of Muskegon
- Approved the next phase of the airport expansion to support jet service
- Developed and implemented a County online auction system to sell used equipment to the public
- Supported development of a cross lake ferry for service starting in 2004
- Installed an electronic medical records system to reduce storage costs and enhance retrieval
- Installed a new communications system for the emergency services disaster system
- Agreed to take over the administration of the County Veterans’ park
- Instituted a “pay it back” program for inmates to work on public projects for incarceration credit

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.

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County of Muskegon

Statement of Net Assets

September 30, 2003

ASSETS	Primary Government			Component Unit
	Governmental	Business - Type	Total	Road
	Activities	Activities		Commission
Cash and cash equivalents	\$ 12,714,971	\$ 19,998,963	\$ 32,713,934	\$ 3,300,390
Investments	14,568,702	16,899,493	31,468,195	114,431
Receivables				
Accounts	3,960,828	1,710,542	5,671,370	-
Intergovernmental	5,926,624	3,711,678	9,638,302	2,344,632
Accrued interest	769,008	223,160	992,168	-
Current taxes	-	3,875,892	3,875,892	-
Delinquent taxes	-	3,684,364	3,684,364	-
Interest and penalties on delinquent taxes	-	1,928,370	1,928,370	-
Special assessments	8,430,088	-	8,430,088	-
Other	9,710	-	9,710	-
Prepaid Items	6,375	-	6,375	239,979
Prepaid expenses	-	128,920	128,920	-
Internal balances	3,235,726	(3,235,726)	-	-
Inventories	53,864	18,665	72,529	886,211
Restricted assets	-	1,005,883	1,005,883	-
Long-term note receivable	1,000,000	-	1,000,000	-
Land	4,078,102	13,895,672	17,973,774	4,849,424
Capital Assets, net of accumulated depreciation	60,522,376	105,763,121	166,285,497	12,943,937
	<u>\$ 115,276,374</u>	<u>\$ 169,608,997</u>	<u>\$ 284,885,371</u>	<u>\$ 24,679,004</u>

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Net Assets
September 30, 2003

	Primary Government			Component Unit
	Governmental	Business - Type		Road
	Activities	Activities	Total	Commission
LIABILITIES				
Payables				
Accounts	\$ 5,597,752	\$ 5,967,878	\$ 11,565,630	\$ 544,247
Intergovernmental	3,795,490	-	3,795,490	27,601
Advances	-	68,728	68,728	367,603
Accrued liabilities	7,125,559	8,901,789	16,027,348	143,078
Payable from restricted funds				
Accrued interest	-	323,093	323,093	-
Unearned revenue	9,709,124	-	9,709,124	354,748
Long-term debt				
Due within one year	5,794,561	11,435,000	17,229,561	27,387
Due in more than one year	32,651,557	32,252,188	64,903,745	246,492
Total liabilities	\$ 64,674,043	\$ 58,948,676	\$ 123,622,719	\$ 1,711,156
NET ASSETS				
Investment in capital assets net of related debt	42,415,478	83,728,971	126,144,449	17,793,361
Restricted for:				
Special Revenue	2,470,787	-	2,470,787	3,650,979
Closure Costs	-	3,670,124	3,670,124	-
Capital Projects	3,200,552	-	3,200,552	-
Debt Service	1,713,255	-	1,713,255	-
Perpetual Care	58,946	-	58,946	-
Unrestricted	743,313	23,261,226	24,004,539	1,523,508
Total Net Assets	\$ 50,602,331	\$ 110,660,321	\$ 161,262,652	\$ 22,967,848

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Activities
For the Year Ended September 30, 2003

		Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
						Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental	Business-Type Activities	Total	Road Commission
Primary Government:									
Government Activities									
Legislative	\$ 369,305	\$ -	\$ -	\$ -	\$ -	(\$ 369,305)	\$ -	(\$ 369,305)	\$ -
Judicial	7,462,674	2,507,401	195,237	-	2,702,638	(4,760,036)	-	(4,760,036)	-
General County Government	19,442,421	7,324,480	7,885,047	-	15,209,527	(4,232,894)	-	(4,232,894)	-
Public Safety	11,844,387	706,104	1,697,542	-	2,403,646	(9,440,741)	-	(9,440,741)	-
Health	112,285,843	85,637,701	13,278,069	800,000	99,715,770	(12,570,073)	-	(12,570,073)	-
Welfare	8,854,982	-	8,746,720	-	8,746,720	(108,262)	-	(108,262)	-
Culture	1,938,129	444,463	249,661	-	694,124	(1,244,005)	-	(1,244,005)	-
Recreation	790,474	540,238	115,200	-	655,438	(135,036)	-	(135,036)	-
Other	279,942	42,296	115,848	-	158,144	(121,798)	-	(121,798)	-
Debt Service					-				
Interest	1,130,245	-	-	-	-	(1,130,245)	-	(1,130,245)	-
Other	54,913	-	-	-	-	(54,913)	-	(54,913)	-
Total Government Activities	164,453,315	97,202,683	32,283,324	800,000	130,286,007	(34,167,308)	-	(34,167,308)	-
Business-Type Activities:									
Solid Waste (5710)	3,266,744	1,760,803	10,831	-	1,771,634	-	(1,495,110)	(1,495,110)	-
Airport (5810)	2,762,826	905,788	30,172	996,968	1,932,928	-	(829,898)	(829,898)	-
Wastewater (5920)	14,418,353	10,655,879	-	1,970,000	12,625,879	-	(1,792,474)	(1,792,474)	-
Other Proprietary Funds	4,543,958	3,695,067	2,375,327	381,555	6,451,949	-	1,907,991	1,907,991	-
Total Business-Type Activities	24,991,881	17,017,537	2,416,330	3,348,523	22,782,390	-	(2,209,491)	(2,209,491)	-
Total Primary Government	\$ 189,445,196	\$ 114,220,220	\$ 34,699,654	\$ 4,148,523	\$ 153,068,397	(34,167,308)	(2,209,491)	(36,376,799)	-
Component Unit:									
Muskegon County Road Commission	\$9,794,392	\$787,843	\$10,996,397	\$2,035,880	\$13,820,120				\$ 4,025,728
General Revenues:									
Property Taxes						23,196,374	-	23,196,374	-
Investment Earnings						927,447	874,971	1,802,418	50,566
Rentals						733,734	-	733,734	4,500
Gain (Loss) on Disposal of Assets						(41,920)	-	(41,920)	58,150
Donations						649,743	-	649,743	-
Other						6,889,455	1,530,335	8,419,790	26,119
Transfers						1,575,099	(1,575,099)	-	-
Total General Revenues, Special Items, and Transfers						33,929,932	830,207	34,760,139	139,335
Change in Net Assets						(237,376)	(1,379,284)	(1,616,660)	4,165,063
Net Assets - Beginning of Year (as restated - see note 19)						50,839,707	112,039,605	162,879,312	18,802,785
Net Assets - End of Year						\$ 50,602,331	\$ 110,660,321	\$ 161,262,652	\$ 22,967,848

The accompanying notes are an integral part of this statement.

County of Muskegon

Balance Sheet

Governmental Funds

September 30, 2003

	General	Community	Managed	Brookhaven	Water	Other	Total
	(1010)	Mental Health	Care	Medical Care	and Sewer	Governmental	Governmental
ASSETS		(2220)	(2222)	Facility	Debt	Funds	Funds
	(1010)	(2220)	(2222)	(2900)	(3650)		
Cash and cash equivalents	\$ 810,459	\$ 1,318,793	\$ 987,872	\$ -	\$ 1,199,240	\$ 4,501,345	\$ 8,817,709
Investments	651,416	1,207,788	741,387	-	1,019,002	3,803,719	7,423,312
Receivables							
Accounts	375,364	284,787	88,693	1,704,980	802,361	510,821	3,767,006
Intergovernmental	1,528,848	-	-	-	-	4,397,776	5,926,624
Accrued interest	634,354	24,027	6,420	608	12,123	37,970	715,502
Special assessments	-	-	-	-	8,430,000	88	8,430,088
Other	9,710	-	-	-	-	-	9,710
Prepaid Items	-	-	-	-	-	6,375	6,375
Due from other funds	4,519,508	-	-	-	-	-	4,519,508
Inventories	-	-	-	53,864	-	-	53,864
Long-term advances to other funds	588,618	-	-	-	-	-	588,618
Long-term note receivable	-	-	-	-	-	800,000	800,000
	<u>\$ 9,118,277</u>	<u>\$ 2,835,395</u>	<u>\$ 1,824,372</u>	<u>\$ 1,759,452</u>	<u>\$ 11,462,726</u>	<u>\$ 14,058,094</u>	<u>\$ 41,058,316</u>

County of Muskegon
Balance Sheet
Governmental Funds
September 30, 2003

	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
LIABILITIES AND FUND EQUITY							
Payables							
Accounts	\$ 616,645	\$ 135,458	\$ 1,581,923	\$ 194,980	\$ -	\$ 2,657,209	\$ 5,186,215
Intergovernmental	60,225	2,047,370	-	-	1,421,353	266,542	3,795,490
Accrued liabilities	1,264,416	565,593	131,938	314,084	-	780,670	3,056,701
Due to other funds	-	-	-	395,463	-	2,036,190	2,431,653
Long-term advances from other funds	-	-	-	-	-	21,500	21,500
Deferred revenue	-	50,000	-	-	9,205,000	454,124	9,709,124
Total liabilities	1,941,286	2,798,421	1,713,861	904,527	10,626,353	6,216,235	24,200,683
Fund Balances							
Reserved for long-term advances to other funds	588,618	-	-	-	-	-	588,618
Reserved for long-term note receivable	-	-	-	-	-	800,000	800,000
Unreserved							
Designated for Capital Projects	-	-	-	-	-	3,200,552	3,200,552
Designated for Special Revenue	975	36,974	110,511	854,925	-	1,467,402	2,470,787
Designated for Debt Service	-	-	-	-	836,373	876,882	1,713,255
Designated for Perpetual Care	-	-	-	-	-	58,946	58,946
Undesignated	6,587,398	-	-	-	-	-	6,587,398
Undesignated - Special Revenue	-	-	-	-	-	1,438,077	1,438,077
Total Fund Balances and other credits	7,176,991	36,974	110,511	854,925	836,373	7,841,859	16,857,633
Total liabilities and Fund Balances	\$ 9,118,277	\$ 2,835,395	\$ 1,824,372	\$ 1,759,452	\$ 11,462,726	\$ 14,058,094	

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. 60,119,117

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 11,900,583

Long term liabilities are not due and payable in the current period and therefore
they are not reported in the Governmental Funds Balance Sheet (38,275,002)

Net Assets of Governmental Activities \$ 50,602,331

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, 2003

	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
Revenues							
Taxes	\$ 20,755,324	\$ -	\$ -	\$ -	\$ -	\$ 2,441,050	\$ 23,196,374
Licenses and permits	12,751	-	-	-	-	717,915	730,666
Operating grants and contributions	5,271,575	2,748,163	4,021,367	-	-	20,242,219	32,283,324
Charges for services	9,144,444	11,661,028	38,646,918	34,338,433	10,729	1,429,580	95,231,132
Fines and forfeitures	789,922	-	-	-	-	450,963	1,240,885
Investment income	458,299	87,345	26,739	5,428	15,719	135,855	729,385
Rentals	139,560	-	-	16,057	-	578,117	733,734
Special assessments	-	-	-	-	800,000	-	800,000
Contributions from private sources	-	26,029	576,030	142	-	47,542	649,743
Other	328,901	29,288	2,225,998	450	1,250	1,648,358	4,234,245
Total revenues	<u>36,900,776</u>	<u>14,551,853</u>	<u>45,497,052</u>	<u>34,360,510</u>	<u>827,698</u>	<u>27,691,599</u>	<u>159,829,488</u>
Expenditures							
Current operations							
Legislative	369,305	-	-	-	-	-	369,305
Judicial	5,920,342	-	-	-	-	1,499,505	7,419,847
General County government	11,902,426	-	-	-	-	4,593,517	16,495,943
Public safety	8,845,495	-	-	-	-	2,724,235	11,569,730
Health	-	14,644,407	46,134,559	35,033,302	-	14,544,573	110,356,841
Welfare	-	-	-	-	-	8,727,898	8,727,898
Culture	205,527	-	-	-	-	1,697,870	1,903,397
Recreation	-	-	-	-	-	605,818	605,818
Other	274,926	-	-	-	5,016	-	279,942
Capital outlay	2,740	28,670	36,288	63,635	-	3,302,491	3,433,824
Debt service							
Principal payments	-	-	-	-	810,000	1,330,000	2,140,000
Interest	-	-	-	-	35,750	1,094,495	1,130,245
Other	-	-	-	-	-	54,913	54,913
Total expenditures	<u>27,520,761</u>	<u>14,673,077</u>	<u>46,170,847</u>	<u>35,096,937</u>	<u>850,766</u>	<u>40,175,315</u>	<u>164,487,703</u>
Revenues over (under) expenditures	<u>9,380,015</u>	<u>(121,224)</u>	<u>(673,795)</u>	<u>(736,427)</u>	<u>(23,068)</u>	<u>(12,483,716)</u>	<u>(4,658,215)</u>
Other financing sources (uses)							
Sales of Fixed Assets	28,300	-	19,282	-	-	2,699	50,281
Bond Proceeds	-	-	-	-	-	-	-
Transfers in	1,809,479	121,224	765,024	-	70,750	11,914,036	14,680,513
Transfers (out)	(11,609,016)	-	-	-	-	(1,244,488)	(12,853,504)
	<u>(9,771,237)</u>	<u>121,224</u>	<u>784,306</u>	<u>-</u>	<u>70,750</u>	<u>10,672,247</u>	<u>1,877,290</u>
NET CHANGE IN FUND BALANCE	(391,222)	-	110,511	(736,427)	47,682	(1,811,469)	(2,780,925)
Fund balance at beginning of year (as restated - see note 19)	<u>7,568,213</u>	<u>36,974</u>	<u>-</u>	<u>1,591,352</u>	<u>788,691</u>	<u>9,653,328</u>	<u>19,638,558</u>
Fund balance at end of year	<u>\$ 7,176,991</u>	<u>\$ 36,974</u>	<u>\$ 110,511</u>	<u>\$ 854,925</u>	<u>\$ 836,373</u>	<u>\$ 7,841,859</u>	<u>\$ 16,857,633</u>

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, 2003

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

Net Change in fund balances - total governmental funds	(\$ 2,780,925)
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 depreciation for the current period less outlays capitalized in the current period	(221,117)
The repayment of long term debt consumes current financial resources but does not effect net assets	2,140,000
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	(92,201)
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	(208,519)
Due from other funds in the General Fund for cash deficits	2,431,653
Due to General Fund in Governmental funds	(2,431,653)
Long term advances to Governmental funds	21,500
Long term advances to Internal Service funds	567,118
Long term advances from General Fund	(588,618)
Long term advances to Internal Service funds	134,951
Long term advances from Proprietary funds	(134,951)
Due to proprietary funds	1,282,822
Due from internal service funds	(1,282,822)
Due from proprietary funds to the General fund	2,087,855
Due to General fund from proprietary funds	(2,087,855)
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>925,386</u>
Change in net assets of governmental activities	<u><u>(\$ 237,376)</u></u>

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Net Assets

Proprietary Funds

September 30, 2003

ASSETS	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
CURRENT ASSETS						
Cash and cash equivalents	\$ 5,174,751	\$ -	\$ 7,339,691	\$ 7,484,521	\$ 19,998,963	\$ 5,985,117
Investments	4,372,760	-	6,202,174	6,324,559	16,899,493	5,057,535
Receivables						
Accounts	257,832	124,637	1,277,526	50,547	1,710,542	193,822
Intergovernmental	1,716,624	987,458	-	1,007,596	3,711,678	-
Accrued interest	66,254	-	80,503	76,403	223,160	53,506
Current taxes	-	-	-	3,875,892	3,875,892	-
Current portion of interest and penalties on delinquent taxes	-	-	-	1,584,463	1,584,463	-
Prepaid expenses	-	-	-	128,920	128,920	-
Inventories	516	-	17,633	516	18,665	-
Restricted Assets	885,796	-	-	120,087	1,005,883	-
Total current assets	12,474,533	1,112,095	14,917,527	20,653,504	49,157,659	11,289,980
NONCURRENT ASSETS						
Long-term advances to other funds	134,951	-	-	-	134,951	1,282,822
Long-term note receivable	-	-	-	-	-	200,000
Delinquent taxes	-	-	-	3,684,364	3,684,364	-
Interest and penalties on delinquent taxes	-	-	-	343,907	343,907	-
Property and equipment at cost, net of accumulated depreciation	6,880,457	19,469,415	84,156,860	9,152,061	119,658,793	4,481,361
Total noncurrent assets	7,015,408	19,469,415	84,156,860	13,180,332	123,822,015	5,964,183
Total assets	\$ 19,489,941	\$ 20,581,510	\$ 99,074,387	\$ 33,833,836	\$ 172,979,674	\$ 17,254,163

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, 2003

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable	\$ 1,233,396	\$ 80,299	\$ 4,600,087	\$ 54,096	\$ 5,967,878	\$ 411,537
Accrued liabilities	81,632	108,485	775,999	281,442	1,247,558	4,068,858
Advances payable	-	16,183	-	52,545	68,728	-
Accrued Closure Costs	7,624,332	-	-	-	7,624,332	-
Accrued Interest	-	29,899	-	-	29,899	-
Current portion of tax anticipation notes payable	-	-	-	9,000,000	9,000,000	-
Long-term debt payable in less than one year	-	125,000	2,140,000	170,000	2,435,000	23,561
Payable from restricted funds						
Accrued interest	-	-	323,093	-	323,093	-
Total current liabilities	<u>8,939,360</u>	<u>359,866</u>	<u>7,839,179</u>	<u>9,558,083</u>	<u>26,696,488</u>	<u>4,503,956</u>
NONCURRENT LIABILITIES						
Due to other funds	-	2,087,855	-	-	2,087,855	-
Tax anticipation notes payable	-	-	-	1,500,000	1,500,000	-
Land Contract Payable	-	-	-	-	-	147,555
Long-term advances from other funds	-	1,282,822	-	-	1,282,822	702,069
Long-term debt due in more than one year	-	2,035,000	27,722,188	995,000	30,752,188	-
Deferred revenue	-	-	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>5,405,677</u>	<u>27,722,188</u>	<u>2,495,000</u>	<u>35,622,865</u>	<u>849,624</u>
Total liabilities	<u>8,939,360</u>	<u>5,765,543</u>	<u>35,561,367</u>	<u>12,053,083</u>	<u>62,319,353</u>	<u>5,353,580</u>
NET ASSETS						
Invested in Capital Assets, Net of related debt	6,880,457	14,566,781	54,294,672	7,987,061	83,728,971	3,445,994
Restricted for cell closure	3,670,124	-	-	-	3,670,124	-
Unrestricted	-	249,186	9,218,348	13,793,692	23,261,226	8,454,589
Total Net Assets	<u>\$ 10,550,581</u>	<u>\$ 14,815,967</u>	<u>\$ 63,513,020</u>	<u>\$ 21,780,753</u>	<u>\$ 110,660,321</u>	<u>\$ 11,900,583</u>

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, 2003

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
Operating revenues						
Charges for services	\$ 1,760,803	\$ 905,788	\$ 9,581,084	\$ 977,349	\$ 13,225,024	\$ -
Farm sales	-	-	1,074,795	-	1,074,795	-
Interest and penalties on delinquent taxes	-	-	-	2,717,718	2,717,718	-
Intragovernmental revenues	-	-	-	-	-	13,635,177
Other	1,292,568	122,789	73,926	41,052	1,530,335	2,655,210
	<u>3,053,371</u>	<u>1,028,577</u>	<u>10,729,805</u>	<u>3,736,119</u>	<u>18,547,872</u>	<u>16,290,387</u>
Operating expenses						
Salaries and fringe benefits	527,076	872,563	3,342,782	1,840,908	6,583,329	1,625,951
Supplies and other operating expenses	2,678,519	1,063,972	6,384,070	1,568,518	11,695,079	3,671,016
Insurance benefits and claims	-	-	-	-	-	1,277,289
Insurance premiums	-	-	-	-	-	7,577,931
Interest expense	-	-	-	227,938	227,938	24,487
Depreciation and amortization	532,638	834,916	3,288,418	792,364	5,448,336	1,134,479
	<u>3,738,233</u>	<u>2,771,451</u>	<u>13,015,270</u>	<u>4,429,728</u>	<u>23,954,682</u>	<u>15,311,153</u>
Operating income (loss)	<u>(684,862)</u>	<u>(1,742,874)</u>	<u>(2,285,465)</u>	<u>(693,609)</u>	<u>(5,406,810)</u>	<u>979,234</u>
Non Operating revenues (expenses)						
Operating subsidies	10,831	30,172	-	2,375,327	2,416,330	-
Interest income	250,520	23	316,336	308,092	874,971	198,062
Interest expense	-	(136,436)	(1,443,085)	(96,962)	(1,676,483)	-
Other	471,489	145,061	40,002	(17,268)	639,284	-
	<u>732,840</u>	<u>38,820</u>	<u>(1,086,747)</u>	<u>2,569,189</u>	<u>2,254,102</u>	<u>198,062</u>
Income before operating transfers and capital contributions	47,978	(1,704,054)	(3,372,212)	1,875,580	(3,152,708)	1,177,296
Capital contributions	-	1,367,668	1,970,000	381,555	3,719,223	-
Transfers in	-	1,381,311	-	7,366,206	8,747,517	116,685
Transfers (out)	(1,292,569)	-	-	(9,400,747)	(10,693,316)	(368,595)
	<u>(1,292,569)</u>	<u>2,748,979</u>	<u>1,970,000</u>	<u>(1,652,986)</u>	<u>1,773,424</u>	<u>(251,910)</u>
Change in Net Assets	(1,244,591)	1,044,925	(1,402,212)	222,594	(1,379,284)	925,386
Net Assets at beginning 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>
Net Assets at end of year	<u>\$ 10,550,581</u>	<u>\$ 14,815,967</u>	<u>\$ 63,513,020</u>	<u>\$ 21,780,753</u>	<u>\$ 110,660,321</u>	<u>\$ 11,900,583</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, 2003

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
CASH FLOW FROM OPERATING ACTIVITIES						
Cash Received from Customers/Other Funds	\$ 525,050	\$ 924,457	\$ 11,093,560	\$ 1,890,188	\$ 14,433,255	\$ 16,529,414
Cash Payments to Suppliers of Goods and Services	(490,956)	(1,015,569)	(6,280,460)	(1,692,621)	(9,479,606)	(12,855,482)
Interest Paid	-	-	-	(282,854)	(282,854)	-
Cash Payments to Employees for Services	(519,465)	(905,515)	(3,402,719)	(1,802,960)	(6,630,659)	(1,623,806)
Other receipts	<u>1,292,568</u>	<u>122,789</u>	<u>73,926</u>	<u>(323,468)</u>	<u>1,165,815</u>	<u>-</u>
Net cash provided by (used for) Operating Activities	807,197	(873,838)	1,484,307	(2,211,715)	(794,049)	2,050,126
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES						
Advances from (to) other funds	29,102	(70,871)	-	23,563	(18,206)	(59,102)
Operating Subsidies from Grants	10,831	30,172	-	4,548,069	4,589,072	-
Transfers (out)	(1,292,569)	-	-	(9,400,747)	(10,693,316)	(368,595)
Transfers in	-	1,381,311	-	7,366,206	8,747,517	116,685
Bond payments	-	-	-	(10,000,000)	(10,000,000)	-
Bond proceeds	-	-	-	9,000,000	9,000,000	-
Tax collections	-	-	-	13,767,152	13,767,152	-
Delinquent tax payments to municipalities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,978,878)</u>	<u>(13,978,878)</u>	<u>-</u>
Net cash provided by (used for) noncapital financing activities	<u>(1,252,636)</u>	<u>1,340,612</u>	<u>-</u>	<u>1,325,365</u>	<u>1,413,341</u>	<u>(311,012)</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Bond Issuance	-	-	-	-	-	-
Principal payments on long term debt	-	(120,000)	(1,667,201)	(175,000)	(1,962,201)	(21,755)
Principal received on long term advances	-	-	-	-	-	70,871
Interest expense and agent fees	-	(137,966)	(1,511,364)	(101,714)	(1,751,044)	-
Purchase of fixed assets	(4,887,799)	(924,320)	(358,506)	(376,277)	(6,546,902)	(1,109,711)
Construction in progress	-	(797,232)	(6,231,855)	-	(7,029,087)	-
Sale of fixed assets	12,000	145,053	32,840	614	190,507	-
Insurance Payment	782,935	-	-	-	782,935	-
Capital contributions and grants	<u>-</u>	<u>1,367,668</u>	<u>1,999,432</u>	<u>381,555</u>	<u>3,748,655</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>(4,092,864)</u>	<u>(466,797)</u>	<u>(7,736,654)</u>	<u>(270,822)</u>	<u>(12,567,137)</u>	<u>(1,060,595)</u>
CASH FLOW FROM INVESTING ACTIVITIES						
Interest received from investment pool	<u>258,384</u>	<u>23</u>	<u>340,935</u>	<u>295,737</u>	<u>895,079</u>	<u>196,877</u>
Net cash provided by investing activities	<u>\$ 258,384</u>	<u>\$ 23</u>	<u>\$ 340,935</u>	<u>\$ 295,737</u>	<u>\$ 895,079</u>	<u>\$ 196,877</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, 2003

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(\$ 4,279,919)	\$ -	(\$ 5,911,412)	(\$ 861,435)	(\$ 11,052,766)	\$ 875,396
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,827,430	-	19,453,277	14,670,515	47,951,222	10,167,256
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 9,547,511</u>	<u>\$ -</u>	<u>\$ 13,541,865</u>	<u>\$ 13,809,080</u>	<u>\$ 36,898,456</u>	<u>\$ 11,042,652</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	<u>(\$ 684,862)</u>	<u>(\$ 1,742,874)</u>	<u>(\$ 2,285,465)</u>	<u>(\$ 693,609)</u>	<u>(\$ 5,406,810)</u>	<u>\$ 979,234</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	532,638	834,916	3,288,418	792,364	5,448,336	1,134,479
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	17,874	(40,991)	437,681	172,333	586,897	(170)
(Increase) decrease in intergovernmental receivable	(1,253,627)	154,959	-	29,601	(1,069,067)	-
Increase (decrease) in deferred revenue	-	-	-	(29,601)	(29,601)	-
(Increase) decrease in inventory	-	-	2,611	-	2,611	-
Increase (decrease) in accounts payable	555,882	48,403	100,999	(145,404)	559,880	339,586
(Increase) decrease in prepaid expenses	-	-	-	19,584	19,584	-
(Increase) decrease in restricted assets	(56,557)	-	-	1,717	(54,840)	-
Increase in closure costs	1,688,238	-	-	-	1,688,238	-
Increase (decrease) in due to other funds	-	(95,299)	-	(1,977,452)	(2,072,751)	-
Increase (decrease) in accrued liabilities	7,611	(32,952)	(59,937)	(381,248)	(466,526)	(403,003)
Total adjustments	<u>1,492,059</u>	<u>869,036</u>	<u>3,769,772</u>	<u>(1,518,106)</u>	<u>4,612,761</u>	<u>1,070,892</u>
Net cash provided by operations	<u>\$ 807,197</u>	<u>(\$ 873,838)</u>	<u>\$ 1,484,307</u>	<u>(\$ 2,211,715)</u>	<u>(\$ 794,049)</u>	<u>\$ 2,050,126</u>

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2003

	Agency Funds	Trust Fund Retirees' Insurance (7330)
ASSETS		
Cash and cash investments	\$ 11,937,196	\$ 12,737,524
Accounts receivable	1,233,958	5,383
Accrued interest receivable	8,239	66,862
	<u>\$ 13,179,393</u>	<u>\$ 12,809,769</u>
LIABILITIES		
Accounts payable	\$ 26,553	\$ -
Intergovernmental payable	797,908	-
Undistributed current and delinquent taxes	8,158,937	-
Trust deposits	2,205,411	-
Accrued liabilities	36,796	-
Unallocated receipts	1,927,675	-
Fines and Fees due to local municipalities and libraries	26,113	-
	<u>\$ 13,179,393</u>	<u>-</u>
Net Assets		
Held in trust for pension benefits		<u>\$ 12,809,769</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, 2003

	Retirees' Insurance (7330)
Additions	
Contributions	
Employer	\$ 2,828,072
Plan members	373,453
Investment earnings	227,185
Total Additions	<u>3,428,710</u>
Deductions	
Benefits	2,176,283
Expenses	-
Total Deductions	<u>2,176,283</u>
 Change in Net Assets	 1,252,427
 Net Assets - Beginning	 <u>11,557,342</u>
Net Assets - Ending	<u><u>\$ 12,809,769</u></u>

The accompanying notes are an integral part of this statement.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2003

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 (11 members) and provides services to its 170,000 residents in many areas, including law enforcement, administration of justice, transportation, waste disposal, road maintenance, community enrichment and development and human services.

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, 2003

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 Net 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, 2003

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, 2003

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, 2003

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 the full accrual basis of accounting.

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, 2003

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, 2003

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 long-term portion of \$6,180,002 has been recorded as a portion of the long-term debt in the government-wide financial statements. 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, 2003

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 all 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, 2003

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

k) 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)	\$589,593
Emergency Services (1190)	20,523
Marine Safety (1200)	5,000
Parks Development (2080)	49,942
Friend of the Court (2150)	208,707
Family Court Re-entry Initiative (2152)	187,500
Health Department (2210)	111,003
Community Mental Health (2220)	36,974
Managed Care (2222)	110,511
Accommodations Tax (2300)	47,272
Parks Development (2411)	123
Deed Automation Fund (2560)	77,993
West Michigan Enforcement Team (WMET) (2670)	18,160
TNT Drug (2671)	140,613
Prosecutor Drug Fund (2672)	9,826
Library (2710)	32,452
Comp Strategy Implementation Grant (2821)	3,732

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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

k) Fund Balance Reserves and Designations - continued

General and Special Revenue - continued

EDC Loan Revolving (2860)	392,684
Cherry Hill Loan (2871)	41,664
Rambusch-Fuchs CDBG Grant (2873)	3,549
Brookhaven Medical Care (2900)	854,925
Mental Health Buildings (2970)	116,659
	<u>\$3,059,405</u>

Debt Service

Designated for debt service	<u>\$1,713,255</u>
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Capital Projects

Capital improvements designated for Heritage Landing (4180)	\$8,532
Capital improvements designated for Fruitport Township Sewer Project (4615)	132,410
Capital improvements designated for Fruitport/NS Sewer Project (4618)	1,720,784
Future capital projects (4930) (4960)	1,017,875
Long-term Note Receivable (4930) (4960)	800,000
Capital improvements designated for drain projects (8010)	320,951
	<u>\$4,000,552</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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

k) Fund Balance Reserves and Designations - continued

Permanent Funds

Designated for perpetual care (1500) (1550)	<u>\$58,946</u>
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Enterprise

Restricted for cell closure (5710)	<u>\$3,670,124</u>
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Trust

Retirees' Insurance (7330)	<u>\$12,809,769</u>
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County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2003

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

1) 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, 2003

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

l) Budgets - 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.

m) 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, 2003

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

n) 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 February 2003), 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 2003, the county's indirect cost rate was 11.9685% 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 two years have elapsed trigger the property to be foreclosed and sold at public auction, with a minimum bid of amounts due for taxes, interest and fees. The foreclosure sales occurs on or about September 1st. 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
- . Original maturity of three months or less

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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. All investments are registered in the name of the County and held by the County's agent. As such, in accordance with GASB 40, the custodial credit risk of these investments need not be disclosed.

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 \$55,496,672 and the bank balance was \$47,446,632. Of the balances, \$500,000 was covered by federal depository insurance in the County's name. The remaining \$46,946,632 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.
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.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS -CONTINUED

September 30, 2003

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 \$38,275,002 difference are as follows:

Special Assessment bonds	\$9,910,000
General Obligation Bonds	14,750,000
Building Authority Bonds	7,435,000
Compensated absences	<u>6,180,002</u>
Net adjustment to reduce	
fund balance - total governmental funds to arrive at	
net assets - governmental activities	<u><u>\$38,275,002</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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 (\$221,117) difference are as follows:

Capital Outlay	\$3,277,936
Internal Service asset purchases	(1,109,711)
Internal Service depreciation	1,134,379
Depreciation Expense as presented for Governmental Activities	<u>(3,523,721)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>(\$221,117)</u></u>

County of Muskegon
NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED
September 30, 2003

NOTE 6 - CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2003 are summarized as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not depreciable:				
Land	<u>\$4,078,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$4,078,102</u>
Capital assets being depreciated:				
Land Improvements	4,448,316	30,550	1,408	4,477,458
Buildings and Improvements	66,491,332	1,760,808	52,093	68,200,047
Machinery and Equipment	<u>16,088,260</u>	<u>1,486,578</u>	<u>1,206,154</u>	<u>16,368,684</u>
Total assets being depreciated	87,027,908	3,277,936	1,259,655	89,046,189
Less accumulated depreciation for:				
Land Improvements	(642,384)	(175,842)	1,408	(816,818)
Buildings and Improvements	(14,720,184)	(1,552,697)	17,682	(16,255,199)
Machinery and Equipment	<u>(10,804,878)</u>	<u>(1,795,182)</u>	<u>1,148,264</u>	<u>(11,451,796)</u>
Total accumulated depreciation	<u>(26,167,446)</u>	<u>(3,523,721)</u>	<u>1,167,354</u>	<u>(28,523,813)</u>
Total capital assets being depreciated, net	<u>60,860,462</u>	<u>(245,785)</u>	<u>(92,301)</u>	<u>60,522,376</u>
 Governmental activities-capital assets, net	 <u>\$64,938,564</u>	 <u>(\$245,785)</u>	 <u>(\$92,301)</u>	 <u>\$64,600,478</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 6 - CAPITAL ASSETS - Continued

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Business-type Activities				
Capital assets, not depreciable:				
Land	\$11,088,122	\$2,807,550	\$0	\$13,895,672
Construction in progress	<u>15,762,029</u>	<u>482,037</u>	<u>2,530,024</u>	<u>13,714,042</u>
Total capital assets not being depreciated	<u>\$26,850,151</u>	<u>\$3,289,587</u>	<u>\$2,530,024</u>	<u>\$27,609,714</u>
Capital assets being depreciated:				
Land Improvements	19,081,978	3,079,039	-	22,161,017
Buildings and Improvements	23,894,741	77,905	190,541	23,782,105
Machinery and Equipment	14,478,797	2,248,389	1,137,042	15,590,144
Lagoons	9,517,671	-	-	9,517,671
W/W collection and distribution	74,143,763	7,411,094	3,441	81,551,416
Capitalized interest and engineering	<u>7,381,808</u>	<u>-</u>	<u>-</u>	<u>7,381,808</u>
Total assets being depreciated	<u>\$148,498,758</u>	<u>\$12,816,427</u>	<u>\$1,331,024</u>	<u>\$159,984,161</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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	(\$9,521,552)	(\$795,256)	\$ -	(\$10,316,808)
Buildings and Improvements	(7,293,395)	(706,604)	(54,290)	(7,945,709)
Machinery and Equipment	(8,916,717)	(1,250,985)	(933,178)	(9,234,524)
Lagoons	(2,771,215)	(96,321)	-	(2,867,536)
W/W collection and distribution	(31,844,937)	(2,330,558)	(3,441)	(34,172,054)
Capitalized interest and engineering	<u>(3,129,839)</u>	<u>(268,612)</u>	<u>-</u>	<u>(3,398,451)</u>
Total accumulated depreciation	<u>(63,477,655)</u>	<u>(5,448,336)</u>	<u>(990,909)</u>	<u>(67,935,082)</u>
Total business-type assets being depreciated, net	<u>85,021,103</u>	<u>7,368,091</u>	<u>340,115</u>	<u>92,049,079</u>
Business-type activities-capital assets, net	<u>\$111,871,254</u>	<u>\$10,657,678</u>	<u>\$2,870,139</u>	<u>\$119,658,793</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 6 - CAPITAL ASSETS - Continued

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

Governmental activities:

Judicial	\$42,827
General County Government	2,196,362
Public Safety	274,657
Health	663,403
Welfare	127,084
Culture	34,732
Recreation	<u>184,656</u>
Total Depreciation Expense - Governmental activities	<u><u>\$3,523,721</u></u>

Business-type Activities

Solid Waste	\$532,638
Airport	834,916
Wastewater	3,288,418
Other Proprietary Funds	<u>792,364</u>
Total Depreciation Expense - business-type activities	<u><u>\$5,448,336</u></u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG-TERM DEBT

Change in Long-term debt of the county for the year ended September 30, 2003 was as follows:

	Balance October 1, <u>2002</u>	Additions	Reductions	Balance September 30, <u>2003</u>	Due within <u>one year</u>
<u>Governmental Activities</u>					
Bonds Payable:					
Special Assessment with Governmental commitment					
Muskegon County Water Supply System No. 1 Bonds-payable in annual installment of \$300,000 in 2004 with interest at 5.0% (8711) (Issued \$6,000,000)	\$600,000		(\$300,000)	\$300,000	\$300,000
Series II - payable in annual installments of \$100,000 in 2004 with interest at 7.4% (8713) (Issued \$2,150,000)	300,000		(100,000)	200,000	100,000
Fruitport Sewer Bond - payable in increasing annual installments ranging from \$50,000 in 2004 to \$250,000 in 2020 with interest from 4.7% to 6.5% (8715) (Issued \$2,680,000)	2,655,000		(25,000)	2,630,000	50,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2002</u>	Additions	Reductions	Balance September 30, <u>2003</u>	Due within <u>one year</u>
Series II - payable in increasing annual installments ranging from \$200,000 in 2004 to \$550,000 in 2020 with interest from 4.75% to 6.75% (8718) (Issued \$6,500,000)	6,150,000		(200,000)	5,950,000	200,000
Northside Water Project Bonds - payable in increasing annual installments ranging from \$35,000 in 2004 to \$40,000 in 2021 with interest at 5% (8719) (Issued \$1,100,000)	715,000		(35,000)	680,000	35,000
Laketon Township Extension Bonds - payable in annual installment of \$150,000 in 2004 with interest at 6.4% (8834) (Issued \$2,800,000)	300,000		(150,000)	150,000	150,000

County of Muskegon
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

Governmental Activities - continued

	<u>Balance October 1, 2002</u>	Additions	Reductions	<u>Balance September 30, 2003</u>	<u>Due within one year</u>
General Obligation Bonds:					
Quality of Life Project Bond - payable in annual installment of \$550,000 in 2004 with interest at 7.875% (3110) (Issued \$2,425,000)	1,025,000		(475,000)	550,000	550,000
Quality of Life Project Bond (Refunded)-payable in increasing annual installments ranging from \$75,000 in 2004 to \$1,505,000 in 2016 with interest from 4% to 4.85%. (3111) (Issued \$14,000,000)	13,840,000		(75,000)	13,765,000	75,000
Muskegon County Mental Health Center Bonds (refunded) - payable in decreasing annual installments ranging from \$235,000 in 2004 to \$200,000 in 2005 with interest from 4.05% to 4.25% (3141) (Issued \$1,625,000)	655,000		(220,000)	435,000	235,000
Building Authority Bonds:					
Muskegon County Convention Center (Refunded) - payable in final installment of \$250,000 in 2003 with interest at 6.2% (3100) (Issued \$2,330,000)	250,000		(250,000)	0	

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2002</u>	Additions	Reductions	Balance September 30, <u>2003</u>	Due within <u>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 decreasing annual installments ranging from \$155,000 in 2004 to \$140,000 in 2007 with interest from 4.05% to 4.35% (3143) (Issued \$1,255,000)	720,000		(130,000)	590,000	155,000
Muskegon County Hall of Justice Bonds-payable in increasing annual installments ranging from \$190,000 in 2004 to \$520,000 in 2022 with interest from 4.25% to 5.0% (3130)	<u>6,500,000</u>	<u> </u>	<u>(180,000)</u>	<u>6,320,000</u>	<u>190,000</u>
Total Bonds Payable	34,235,000	0	(2,140,000)	32,095,000	2,040,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, 2002	Additions	Reductions	Balance September 30, 2003	Due within one year
<u>Governmental Activities</u> - continued					
Land contract payable in monthly installments of \$3,033.20 including interest at 8% until August 2009 (6660) (Issued \$ 250,000)	192,871		(21,755)	171,116	23,561
Sick leave and annual time payable as used or upon retirement or termination. (See Note 1(h) for limitations on payoff)(1010)	<u>5,971,483</u>	<u>3,939,922</u>	<u>(3,731,403)</u>	<u>6,180,002</u>	<u>3,731,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$40,399,354</u>	<u>\$3,939,922</u>	<u>(\$5,893,158)</u>	<u>\$38,446,118</u>	<u>\$5,794,561</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2002</u>	Additions	Reductions	Balance September 30, <u>2003</u>	Due within <u>one year</u>
<u>Business-Type Activities</u>					
Bonds Payable					
Revenue Bonds:					
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) (Refunded)	\$6,000,000		(\$6,000,000)	\$0	
1992 Muskegon County Wastewater Management System No. 1 Bonds - payable in increasing annual installments ranging from \$185,000 in 2003 to \$200,000 in 2008 with interest from 6.00% to 6.4% (3913) (Refunded)	1,175,000		(1,175,000)	0	
1989 Muskegon County Wastewater Management System No. 1 Bonds Refunded - payable in decreasing annual installments ranging from \$1,685,000 in 2004 to \$1,650,000 in 2005 with interest from 5.1% to 5.7% (3914) (Issued \$13,750,000)	5,055,000		(1,720,000)	3,335,000	1,685,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2002</u>	Additions	Reductions	Balance September 30, <u>2003</u>	Due within <u>one year</u>
<u>Business-Type Activities - Continued</u>					
Wastewater Bond - payable in increasing annual installments ranging from \$245,000 in 2004 to \$850,000 in 2026 with interest from 3.2% to 5.00% (5935) (Issued \$17,000,000)	17,000,000		(130,000)	16,870,000	245,000
Wastewater Bond - payable in increasing annual installments ranging from \$210,000 in 2004 to \$2,090,000 in 2008 with interest from 2.0% to 5.00% (5936) (Issued \$6,990,000)		6,990,000	(250,000)	6,740,000	210,000
Building Authority Bonds:					
Muskegon County Fairgrounds - (Refunded) payable in increasing annual installments to \$170,000 in 2004 to \$185,000 in 2009 with interest from 6.0% to 6.25% (5083) (Issued \$1,985,000)	1,340,000		(175,000)	1,165,000	170,000
Muskegon County Airport Terminal - payable in increasing annual installments ranging from \$125,000 in 2004 to \$280,000 in 2013 with interest from 5.20% to 5.625% (5810) (Issued \$2,995,000)	<u>2,280,000</u>	<u> </u>	<u>(120,000)</u>	<u>2,160,000</u>	<u>125,000</u>
Total Bonds Payable	32,850,000	6,990,000	(9,570,000)	30,270,000	2,435,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2002</u>	Additions	Reductions	Balance September 30, <u>2003</u>	Due within <u>one year</u>
General Obligation Tax Notes					
2000 - payable in final installment of \$2,500,000 in 2003 with interest at 5% (5160) (Issued \$9,000,000)	2,500,000		(2,500,000)	0	
2001 - payable in annual installment of \$1,500,000 in 2004 with interest ranging at 3.90% (5161) (Issued \$9,000,000)	9,000,000		(7,500,000)	1,500,000	1,500,000
2002 - payable in annual installments of \$7,500,000 in 2004 and \$1,500,000 in 2005 with interest at 1.7% (5162) (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	11,500,000	9,000,000	(10,000,000)	10,500,000	9,000,000
Note Payable:					
Fourteen year promissory note payable for infrastructure improvements at 5.75% interest payable in quarterly installments commencing May 1, 2003	<u>2,384,277</u>	<u>116,073</u>	<u> </u>	<u>2,500,350</u>	<u> </u>
Total Business-Type Activities long-term liabilities	<u>\$46,734,277</u>	<u>\$16,106,073</u>	<u>(\$19,570,000)</u>	<u>\$43,270,350</u>	<u>\$11,435,000</u>
Total all long-term liabilities	<u>\$87,133,631</u>	<u>\$20,045,995</u>	<u>(\$25,463,158)</u>	<u>\$81,716,468</u>	<u>\$17,229,561</u>

County of Muskegon
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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 (\$19,129,591 at September 30, 2003) 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 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 \$81,716,468 and \$27,647,806, respectively, at September 30, 2003 as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2003-2007	\$10,066,118	\$3,353,458	\$18,070,350	\$3,053,296
2008-2012	8,665,000	5,880,846	10,805,000	4,825,708
2013-2017	11,295,000	3,607,802	5,045,000	2,987,500
2018-2022	7,365,000	1,087,346	4,250,000	1,906,975
2023-2026	<u>1,055,000</u>	<u>52,375</u>	<u>5,100,000</u>	<u>892,500</u>
Total	<u>\$38,446,118</u>	<u>\$13,981,827</u>	<u>\$43,270,350</u>	<u>\$13,665,979</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG-TERM DEBT - Continued

Combined schedule of annual principal requirements for bonded debt outstanding at September 30, 2003

<u>Year</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Principal due every five years</u>
	<u>Special Assessments</u>	<u>General Obligation</u>	<u>Building Authority</u>	<u>Revenue Bonds</u>	<u>Building Authority</u>	<u>Delinquent Tax Notes</u>	
2003	\$400,000	\$	\$	\$	\$	\$4,500,000	
2004	535,000	860,000	345,000	2,140,000	295,000	5,500,000	
2005	310,000	910,000	355,000	2,240,000	395,000	500,000	
2006	360,000	775,000	360,000	2,300,000	395,000		
2007	360,000	850,000	365,000	2,420,000	400,000		\$27,870,000
2008	410,000	925,000	415,000	2,545,000	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		
2012	540,000	1,285,000	300,000	850,000	265,000		17,180,000
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, 2003

NOTE 7 - LONG TERM DEBT - Continued

	Governmental Activities			Business-type Activities			
<u>Year</u>	<u>Special Assessment</u>	<u>General Obligation</u>	<u>Building Authority</u>	<u>Revenue Bonds</u>	<u>Building Authority</u>	<u>Delinquent Tax Notes</u>	<u>Principal due every five years</u>
2015	\$ 640,000	\$1,500,000	\$ 355,000	\$850,000	\$	\$	\$
2016	665,000	1,505,000	375,000	850,000			
2017	690,000		400,000	850,000			15,380,000
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			
2022			520,000	850,000			9,035,000
2023				850,000			
2024				850,000			
2025				850,000			
2026				850,000			3,400,000
Total all years	<u>\$9,910,000</u>	<u>\$14,750,000</u>	<u>\$7,435,000</u>	<u>\$26,945,000</u>	<u>\$3,325,000</u>	<u>\$10,500,000</u>	<u>\$72,865,000</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2003

NOTE 7 - LONG -TERM DEBT-Continued

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

Governmental Type Funds	<u>\$1,713,255</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 0-6.28 % of their annual covered salary. The County is required to contribute at an actuarially determined rate; the average current rate is 6.0 % 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 2003, the County's annual pension cost was \$1,402,650 with the full amount being paid. The required contribution was determined as part of the December 31, 2001 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, 2003

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>
12/31/01	\$ 3,080	100%	0
12/31/02	2,687	100%	0
12/31/03	2,754	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)
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) %
2002	119,175,186	128,480,021	93%	9,304,835	41,935,587	22 %

NOTE 9 - LEASES

The County leases certain office space and equipment under operating leases, which expire on various dates through 2003, with aggregate minimum monthly rentals of \$3,417. Rental expense under operating leases was \$1,064,849 for the year ended September 30, 2003.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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)	\$4,519,508	Co-Op Reimb. Pros. (1150)	\$23,381
		Marine Safety (1200)	77,881
		Sheriff Road Patrol (1210)	55,463
		School Liaison (1230)	37,731
		Prosecutor Family Court (2140)	3,381
		Friend of the Court (2150)	246,610
		Accommodations Tax (2300)	179,176
		Parks Development (2411)	11,397
		Community Corrections (2640)	64,552
		Project Cornerstone (2650)	4,939
		Wagner-Peyser (2731)	39,873
		TAA/NAFTA (2733)	171
		Reemployment Services (2738)	1,606
		Economic Development Job Training (2750)	85,444

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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>
		Work First (2751)	54,226
		Special Improvement Project (2155)	63,816
		Food Stamp Program (2759)	32,194
		WIA Admin Pool (2760)	77,510
		WIA Adult Program (2761)	18,680
		WIA Youth Program (2762)	162,733
		WIA Dislocated Worker Program (2763)	11,154
		Welfare to Work (2764)	41,818
		WIA Youth Statewide (2766)	1,193
		Reed Act Funds (2769)	167,036
		WIA National Emergency Grant (2770)	14,885
		Crime Victim's Rights (2800)	22,933
		Comp Strategy Implementation Grant (2821)	51,095
		Juvenile Accountability Incentive BG (2831)	7,872
		Community Gun Violence (2832)	17,224
		Link Michigan Study Project (2880)	14,236
		Brookhaven (2900)	395,463
		Social Welfare (2910)	12,404

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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>
		Child Care Facility (2920)	362,857
		Veterans Trust (2940)	11,928
		Hall of Justice (4130)	1,116
		Heritage Landing Development (4180)	<u>57,675</u>
		Subtotal Governmental	<u>2,431,653</u>
		Muskegon County Airport (5810)	<u>2,087,855</u>
		Subtotal Proprietary	<u>2,087,855</u>
	<u><u>\$4,519,508</u></u>		<u><u>\$4,519,508</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)	\$1,809,479	\$11,609,016
Co-Op Reimb.-Pros. (1150)	85,510	
Next Gen Implementation (1170)	129,646	
Emergency Services (1190)	192,632	

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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>
Marine Safety (1200)	58,058	
School Liaison (1230)	17,544	
Township Patrols (1240)	212,422	
Parks (2080)	39,996	148,809
Family Court (2140)	136,606	
Friend of the Court (2150)	1,533,694	
Family Court Reentry Init (2152)	187,500	
Health Department (2210)	2,035,595	
Community Mental Health (2220)	121,224	
Managed Care (2222)	765,024	
Accommodations Tax (2300)		64,343
Parks Development (2411)	148,809	
Sewage Facilities Plan. Gr. (2430)		42,942
Budget Stabilization (2570)	50,000	
Law Library (2610)	11,590	
Community Corrections (2640)	351,918	
Project Cornerstone (2650)	73,880	
Prosecutor Drug Fund (2672)		20,590
Library (2710)	844,305	

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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>
Crime Victim's Rights (2800)	4,048	
Comp Strategy Imp Gr (2821)	16,797	
Juv. Account. Incent. BG (2831)	6,394	
Community Gun Violence (2832)	26,459	
EDC Loan Revolving (2860)		5,174
Link Michigan Study Proj (2880)	5,000	
Remonumentation Prog. (2890)	8,000	
Social Services (2910)	10,049	
Child Care Facility (2920)	2,964,950	
Muskegon County EDC (2960)	597	
Convention Center Debt (3100)	64,343	
Hall of Justice (3130)	492,946	
Hall of Justice (4130)	559,744	366,610
Northside Water- Mi Adv. (4150)	34,171	
Heritage Landing (4180)	97,274	
Wickham Drive Expansion (4200)	174	
Musk Twp Sewer/Water (4640)	1,292,569	
Public Improvement (4930)		596,020
Jail Expansion (4950)	173,242	
Fairgrounds Operations (5083)	235,975	
Delinquent Tax Revolving (5161)		2,242,708

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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>
Solid Waste Mgmt (5710)		1,292,569
Muskegon County Airport (5810)	1,381,311	
Muskegon Co. Airport Capital contributions (5810)	370,700	
Northside Water O & M (5910)	42,942	70,750
Equipment Revolving (6660)	116,685	368,595
Drain Project (8010)	47,574	
Northside Water System (8719)	70,750	
	<u>\$16,828,126</u>	<u>\$16,828,126</u>

c) Excess of expenditures over budget in individual funds

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
Next Generation Implementation (1170)	\$125,605	\$129,646
Township Patrols (1240)	413,838	416,837
Prosecutor Family Court (2140)	189,647	190,192
Family Court Reentry Initiative (2152)	14,759	20,066
Health Department (2210)	7,018,323	7,729,126
Parks Development (2411)	258,507	264,009
TNT Drugs (2671)	25,362	31,406
Work First (2751)	1,050,954	1,150,554
WIA Youth Program (2762)	1,422,268	1,560,196
WIA Youth Statewide (2766)	12,221	12,689

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

c) Excess of expenditures over budget in individual funds - continued

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
Reed Act Funds (2769)	2,224,531	2,329,006
WTW Youth Program (2770)	104,719	217,136
Community Gun Violence (2832)	100,818	100,959
Convention Center Debt (3100)	262,246	262,325

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

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)	\$588,618	
Solid Waste Management (5710)	134,951	
Muskegon County Airport (5810)		\$1,282,822
Drain Revolving (6010)		21,500
Equipment Revolving (6660)		702,069
Insurance (6770)	<u>1,282,822</u>	
	<u>\$2,006,391</u>	<u>\$2,006,391</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 fund advance 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.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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).

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 \$2,176,283 were recognized for post-retirement health care. The amount of net assets available in the trust fund for future benefit payments was \$12,809,769 as of September 30, 2003.

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, 2003 was \$5,679,803. The claim's liability of \$3,849,502 reported in the fund at September 30, 2003, 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, 2003

Changes in the funds claims liability amount in fiscal 2002 and 2003 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
2003	4,070,500	7,118,905	(7,339,903)	3,849,502

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 \$7.6 million reported as landfill closure and post-closure care liability at September 30, 2003 represents the cumulative amount reported to date based on the use of 44 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 13 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$17.3 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 2003. 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, 2003. 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, 2003

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, 2003, 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 road commission accrues unused portions of vacation 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 liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, a liability for these amounts is reported in the governmental fund only for employee terminations as of year end.

(b) CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

At year-end, the carrying amount of the commission's deposits was \$1,112,971 and the bank balance was \$1,163,880. Of the bank balance, \$200,000 was covered by federal depository insurance and \$963,880 was uninsured and uncollateralized.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

(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	\$100,000	\$ -	\$949,376	\$1,049,376	\$998,540
Time Deposits	<u>100,000</u>	<u> </u>	<u>14,504</u>	<u>114,504</u>	<u>114,431</u>
	<u>\$200,000</u>	<u>\$0</u>	<u>\$963,880</u>	<u>\$1,163,880</u>	<u>\$1,112,971</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 16 - DISCRETE ENTITY NOTES - Continued

c) FIXED ASSETS

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

	Balance October 1, <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2003</u>
Capital Assets not being depreciated				
Land and improvements	<u>\$3,384,037</u>	<u>\$1,465,387</u>	<u>\$ -</u>	<u>\$4,849,424</u>
Other Capital Assets				
Buildings	5,012,276	500	41,576	4,971,200
Road equipment	7,982,677	614,324	618,464	7,978,537
Other equipment	1,273,664	5,067	106,031	1,172,700
Infrastructure and improvements	<u>6,949,759</u>	<u>2,733,351</u>	<u>-</u>	<u>9,683,110</u>
Total capital assets at historic costs	21,218,376	3,353,242	766,071	23,805,547
Accumulated depreciation				
Buildings	(2,188,138)	(181,143)	(20,268)	(2,349,013)
Road equipment	(6,702,728)	(592,078)	(618,153)	(6,676,653)
Other equipment	(1,009,540)	(87,332)	(88,879)	(1,007,993)
Infrastructure and improvements	<u>(372,864)</u>	<u>(455,087)</u>	<u>-</u>	<u>(827,951)</u>
Total accumulated depreciation	<u>(10,273,270)</u>	<u>(1,315,640)</u>	<u>(727,300)</u>	<u>(10,861,610)</u>
Total Net Capital Assets	<u>\$14,329,143</u>	<u>\$3,502,989</u>	<u>\$38,771</u>	<u>\$17,793,361</u>

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 16 - DISCRETE ENTITY NOTES - Continued

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

Primary road	\$ 644,911
Local Road	559,808
State trunkline	84,850
Administrative	<u>26,071</u>
Total depreciation expense	<u>\$ 1,315,640</u>

(e) LONG-TERM DEBT

Long-term debt consisted of the following as of September 30, 2003:

Long Term Compensated Absences	\$273,879
--------------------------------	-----------

A summary of long-term compensated absences transactions for the year ended September 30, 2003 follows:

Balance at beginning of year	\$309,261
Additions	-
Deductions	<u>(35,382)</u>
Balance at end of year	<u>\$273,879</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

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 :	\$3,433,824
Adjustments	
Prior year purchases	116,284
Capital projects not County owned	(1,432,433)
Timing differences	50,550
Internal Service purchases	<u>1,109,711</u>
Net Assets capitalized	<u><u>\$3,277,936</u></u>

NOTE 18 -ADVANCE REFUNDING

On November 6, 2002 the County issued \$ 6.99 million in General Obligation (Limited Tax) bonds with an average interest rate of 3.21% to advance refund \$6.0 million of outstanding 1989 series bonds and \$1.17 million of outstanding 1992 series bonds with a combined average interest rate of 5.82%. The net proceeds of \$7.5 million (after payment of \$52,000 in underwriting fees and other issuance costs) were deposited with an escrow agent in an irrevocable trust to call as due, \$6.0 million of the 1989 series bonds and \$1.17 million of the 1992 series bonds. As a result, \$6.0 million of the 1989 series bonds and \$1.17 million of the 1992 series bonds are defeased and the liability for these bonds has been removed from the County books.

This advance refunding resulted in a difference between the reacquisition price and the net carrying amount debt of \$566,472. This difference, reported in the accompanying financial statements as an increase to bonds payable, is being credited to operations through the year 2009 on a straight line basis. The County completed the advance refunding to reduce its total debt service payments over the next 9 years by \$683,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$624,000.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 19 - RESTATED GENERAL FUND BALANCE

In 2003, the County recognized a change in reporting of vacation and sick accruals in accordance with GASB interpretation number 6. This change reflects the implementation of GASB 34 reporting and the non-recognition of leave payoffs until the events occur. As such, the General Fund fund balance of the County has been increased by \$390,593. The beginning general fund balance has been increased from \$7,177,620 to \$7,568,213 and the governmental activities beginning fund balance has increased from \$50,449,114 to \$50,839,707.

Required Supplementary Information

County of Muskegon

September 30, 2003

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 1st to September 30th 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

Property taxes were adjusted downward for board of review and Tax Tribunal adjustments.

Charges for services were increased due to increased collections on property transfers

General government expenditures were reduced due to the gypsy moth program not being needed

Required Supplementary Information - continued

County of Muskegon

September 30, 2003

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:

General Fund

- An increase in the Register of Deeds revenue budget of \$498,000 resulting from strong activity in the real estate and refinancing markets
- A one time increase of \$193,000 in delinquent tax-prior years due to a large bankruptcy settlement
- A reduction in State revenue sharing of \$423,000 based upon State information regarding revenue shortfalls
- An increase in administrative cost reimbursement resulting from additional general fund costs be recovered through the cost allocation plan
- An increase of \$137,000 for prisoner reimbursement from the State and the work release program
- A decrease of \$193,000 in appropriations for the child care fund resulting from lower than anticipated costs at state institutions
- An increase of \$76,000 for library appropriations to cover less than anticipated penal fines
- An increase of \$507,000 for the airport to fund operations due to decreases in operating revenues and increases in operating expenses
- An increase in General Fund medical costs that exceeded our estimate by 8%

Required Supplementary Information - continued

County of Muskegon

September 30, 2003

Other Funds

The expenditures over budget in the Managed Care 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
Managed Care (2222)	\$45,042,344	\$46,170,847
Brookhaven (2900)	\$31,054,076	\$35,096,937

Expenditures in the departments of the General Fund were covered either by additional revenue or by reduction of fund balance

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, 2003

	General Fund - 1010				Community Mental Health - 2220			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
Revenues								
Taxes	\$ 22,444,781	\$ 20,907,208	\$ 20,755,324	(\$ 151,884)	\$ -	\$ -	\$ -	\$ -
Licenses and permits	46,100	11,600	12,751	1,151	-	-	-	-
Operating grants and contributions	5,756,530	5,225,647	5,271,575	45,928	3,899,684	3,530,220	2,748,163	(782,057)
Charges for services	7,853,750	8,849,056	9,144,444	295,388	11,167,791	11,062,406	11,661,028	598,622
Fines and forfeitures	820,000	804,000	789,922	(14,078)	-	-	-	-
Investment income	405,500	423,000	458,299	35,299	268,800	134,600	87,345	(47,255)
Rentals	111,348	140,721	139,560	(1,161)	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Contributions from private sources	175,000	-	-	-	34,000	52,900	26,029	(26,871)
Other	329,600	316,375	328,901	12,526	22,700	22,700	29,288	6,588
Total revenues	37,942,609	36,677,607	36,900,776	223,169	15,392,975	14,802,826	14,551,853	(250,973)
Expenditures								
Current operations								
Legislative	372,531	377,317	369,305	8,012	-	-	-	-
Judicial	5,846,348	6,003,060	5,920,342	82,718	-	-	-	-
General County government	12,555,444	11,907,411	11,902,426	4,985	-	-	-	-
Public safety	8,746,865	9,044,178	8,845,495	198,683	-	-	-	-
Health	-	-	-	-	15,778,419	14,838,106	14,644,407	193,699
Welfare	-	-	-	-	-	-	-	-
Culture	196,776	195,312	205,527	(10,215)	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	305,305	297,960	274,926	23,034	-	-	-	-
Capital outlay	6,900	9,353	2,740	6,613	147,500	149,000	28,670	120,330
Debt service								
Principal payments	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total expenditures	28,030,169	27,834,591	27,520,761	313,830	15,925,919	14,987,106	14,673,077	314,029
Revenues over (under) expenditures	9,912,440	8,843,016	9,380,015	536,999	(532,944)	(184,280)	(121,224)	63,056
Other financing sources (uses)								
Sales of Fixed Assets	-	28,300	28,300	-	-	-	-	-
Transfers in	-	1,809,479	1,809,479	-	536,894	184,280	121,224	(63,056)
Transfers (out)	(10,628,539)	(11,297,923)	(11,609,016)	(311,093)	-	-	-	-
	(10,628,539)	(9,460,144)	(9,771,237)	(311,093)	536,894	184,280	121,224	(63,056)
NET CHANGE IN FUND BALANCE	(716,099)	(617,128)	(391,222)	225,906	3,950	-	-	-
Fund balance at beginning of year (as restated - see note 20)	7,568,213	7,568,213	7,568,213	-	36,974	36,974	36,974	-
Fund balance at end of year	\$ 6,852,114	\$ 6,951,085	\$ 7,176,991	\$ 225,906	\$ 40,924	\$ 36,974	\$ 36,974	\$ -

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, 2003

	Managed Care - 2222				Brookhaven Medical Care Facility - 2900			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Operating grants and contributions	7,402,091	5,190,240	4,021,367	(1,168,873)	-	-	-	-
Charges for services	35,435,471	36,852,804	38,646,918	1,794,114	11,081,500	30,279,409	34,338,433	4,059,024
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	75,700	44,900	26,739	(18,161)	14,000	14,000	5,428	(8,572)
Rentals	-	-	-	-	10,000	10,000	16,057	6,057
Special assessments	-	-	-	-	-	-	-	-
Contributions from private sources	79,727	59,300	576,030	516,730	300	300	142	(158)
Other	953,979	2,232,876	2,225,998	(6,878)	250	250	450	200
Total revenues	43,946,968	44,380,120	45,497,052	1,116,932	11,106,050	30,303,959	34,360,510	4,056,551
Expenditures								
Current operations								
Legislative	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Health	43,956,213	44,765,194	46,134,559	(1,369,365)	11,424,230	30,985,798	35,033,302	(4,047,504)
Welfare	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Capital outlay	277,150	277,150	36,288	240,862	175,000	68,278	63,635	4,643
Debt service								
Principal payments	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total expenditures	44,233,363	45,042,344	46,170,847	(1,128,503)	11,599,230	31,054,076	35,096,937	(4,042,861)
Revenues over (under) expenditures	(286,395)	(662,224)	(673,795)	(11,571)	(493,180)	(750,117)	(736,427)	13,690
Other financing sources (uses)								
Sales of Fixed Assets	24,600	5,100	19,282	14,182	-	-	-	-
Transfers in	269,045	657,124	765,024	107,900	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	7,250	-	110,511	110,511	(493,180)	(750,117)	(736,427)	13,690
Fund balance at beginning of year (as restated - see note 20)	-	-	-	-	1,591,352	1,591,352	1,591,352	-
Fund balance at end of year	\$ 7,250	\$ -	\$ 110,511	\$ 110,511	\$ 1,098,172	\$ 841,235	\$ 854,925	\$ 13,690

Required Supplementary Information

County of Muskegon

Budget and actual by Department - General Fund

Year Ended September 30, 2003

	Original Budget	Final Budget	Actual	Difference (+/-)
101 Board of Commissioners	\$ 372,531	\$ 377,317	\$ 369,300	\$ 8,017
131 Circuit Court	1,147,443	1,172,228	1,121,112	51,116
136 District Court	2,852,788	3,018,413	2,989,584	28,829
137 Probation Cobo Hall Tax	122,701	119,854	122,223	(2,369)
145 Jury Commission	34,805	33,175	28,935	4,240
148 Probate Court	646,266	627,672	624,869	2,803
151 State Probation	80,703	78,766	80,946	(2,180)
164 Public Defender	938,087	929,397	921,875	7,522
171 Administration	797,935	741,639	680,771	60,868
191 Elections	193,563	133,197	122,108	11,089
201 Accounting	576,925	560,129	552,485	7,644
210 Corporate Counsel	120,005	254,752	264,744	(9,992)
215 County Clerk	346,611	381,297	379,567	1,730
216 Circuit Court Records	372,253	384,607	399,749	(15,142)
225 Equalization	1,544,587	1,521,474	1,450,009	71,465
226 Human Resources	474,404	442,723	429,379	13,344
229 Prosecutor	1,697,664	1,579,271	1,566,914	12,357
233 Purchasing	222,901	225,198	220,027	5,171
236 Register of Deeds	553,901	495,630	500,963	(5,333)
242 Training Center	60,499	64,157	62,714	1,443
248 Stark Hall	-	13,004	18,393	(5,389)
252 Transfers	1,089,047	1,077,907	1,148,158	(70,251)
253 Treasurer	664,714	628,063	628,470	(407)
260 Shady Grove Cemetery	5,113	4,105	3,021	1,084
262 Pere Marquette Depot	-	-	6	(6)

Required Supplementary Information

County of Muskegon

Budget and actual by Department - General Fund - continued

Year Ended September 30, 2003

	Original Budget	Final Budget	Actual	Difference (+/-)
263 Cordova Site O&M	\$ 12,429	\$ 46,776	\$ 37,400	\$ 9,376
265 Courthouse and Grounds	938,770	883,208	1,003,624	(120,416)
266 Information Services	75,400	73,385	75,446	(2,061)
268 Oak Ave. Building	93,229	122,721	119,979	2,742
269 Harris Building	46,436	43,941	43,724	217
271 County Jail Building	302,473	294,276	333,130	(38,854)
273 Heritage Landing O&M	152,662	134,535	155,462	(20,927)
275 Drain Commissioner	228,389	245,472	247,042	(1,570)
284 Plat Board	1,011	877	644	233
285 Gypsy Moth	368,969	704	34	670
286 Office Services	133,412	133,768	132,016	1,752
297 Vehicle Pool	23,966	21,299	17,926	3,373
301 Sheriff Operations	3,591,480	3,805,544	3,709,433	96,111
305 Sheriff Administration	334,796	395,004	328,435	66,569
320 Officer Training Act 302	11,000	11,500	13,438	(1,938)
351 Sheriff Jail	4,811,489	4,834,030	4,794,193	39,837
441 Dept. of Public Works	51,203	76,755	69,528	7,227
650 State Institutions	176,475	175,000	152,874	22,126
731 MSU Extension	196,776	195,312	205,527	(10,215)
941 Misc Contingency	554,806	550,461	514,676	35,785
942 Current Year Wage Payoff	15,500	12,500	-	12,500
959 Information Systems	994,052	913,548	879,908	33,640

Required Supplementary Information

County of Muskegon

Municipal Employees Retirement System of Michigan

Schedule of Funding Progress

Year ended September 30, 2003

Actuarial Valuation Date	Actual Asset Value	Entry Age Actuarial Accrued Liability	UnderFunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UnderFunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll Payroll
12/31/00	\$113,023,319	\$107,262,732	(\$5,760,587)	105.4%	\$37,642,513	(15) %
12/31/01	118,605,823	115,733,438	(2,872,385)	102.5%	39,390,663	(7) %
12/31/02	119,175,186	128,480,021	9,304,835	92.8%	41,935,587	22 %

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.

Family Court Re-Entry Initiative (2152)--to account for monies received by Muskegon County from state grants. The money is used to reduce the placement of juveniles in youth homes and bring them back into the community faster.

Special Improvement project (2155)--to account for monies received by Muskegon County from federal grants. The money is used for restorative justice for juveniles.

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.

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

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.

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.

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.

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.

Comp Strategy Implementation Grant (2821)–to account for monies received from the state to fill in gaps in support for youth identified in the restorative justice program.

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.

Link Michigan Study Project (2880)–to account for monies passed through the State of Michigan from the Federal government for the study of current infrastructure needs in the area of communications.

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.

Northside Water-Michigan Adventure (4150)--to account for revenues and expenditures to build water and sewer lines to a major amusement park.

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, 2003

	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)
ASSETS							
Cash and cash equivalents	\$ -	\$ 3,500	\$ 12,490	\$ -	\$ -	\$ -	\$ 75,662
Receivables							
Accounts	-	-	3,429	-	-	40,823	43,335
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	30,242	-	12,254	87,921	69,970	-	-
Accrued Interest	-	12	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 30,242</u>	<u>\$ 3,512</u>	<u>\$ 28,173</u>	<u>\$ 87,921</u>	<u>\$ 69,970</u>	<u>\$ 40,823</u>	<u>\$ 118,997</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ 558	\$ 186	\$ 4,826	\$ -	\$ 4,262	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	6,303	3,326	2,824	5,040	10,245	3,092	8,089
Due to other funds	23,381	-	-	77,881	55,463	37,731	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	110,908
	<u>30,242</u>	<u>3,512</u>	<u>7,650</u>	<u>82,921</u>	<u>69,970</u>	<u>40,823</u>	<u>118,997</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	20,523	5,000	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>20,523</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 30,242</u>	<u>\$ 3,512</u>	<u>\$ 28,173</u>	<u>\$ 87,921</u>	<u>\$ 69,970</u>	<u>\$ 40,823</u>	<u>\$ 118,997</u>

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

	SPECIAL REVENUE						
	Park Fund (2080)	Prosecutor Family Court (2140)	Friend of the Court (2150)	Family Court Re-entry Initiative (2152)	Special Improvement Project (2155)	Health Department (2210)	Accommodations Tax (2300)
ASSETS							
Cash and cash equivalents	\$ 62,708	\$ -	\$ 1,000	\$ 169,348	\$ -	\$ 653,638	\$ 200
Receivables							
Accounts	-	-	1,754	-	-	32,375	248,155
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	8,596	569,690	20,066	68,697	123,171	-
Accrued Interest	506	-	-	-	-	-	6
Prepaid Items	-	-	-	-	-	6,375	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 63,214</u>	<u>\$ 8,596</u>	<u>\$ 572,444</u>	<u>\$ 189,414</u>	<u>\$ 68,697</u>	<u>\$ 815,559</u>	<u>\$ 248,361</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ 6,350	\$ -	\$ 16,092	\$ -	\$ -	\$ 431,595	\$ 15,217
Intergovernmental payable	-	-	-	-	-	3,904	-
Accrued liabilities	6,922	5,215	101,035	1,914	4,881	240,057	6,696
Due to other funds	-	3,381	246,610	-	63,816	-	179,176
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	29,000	-
	<u>13,272</u>	<u>8,596</u>	<u>363,737</u>	<u>1,914</u>	<u>68,697</u>	<u>704,556</u>	<u>201,089</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	49,942	-	208,707	187,500	-	111,003	47,272
Undesignated	-	-	-	-	-	-	-
	<u>49,942</u>	<u>-</u>	<u>208,707</u>	<u>187,500</u>	<u>-</u>	<u>111,003</u>	<u>47,272</u>
	<u>\$ 63,214</u>	<u>\$ 8,596</u>	<u>\$ 572,444</u>	<u>\$ 189,414</u>	<u>\$ 68,697</u>	<u>\$ 815,559</u>	<u>\$ 248,361</u>

County of Muskegon

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2003

	SPECIAL REVENUE						
	Parks Development (2411)	Sewage Facilities Step One (2430)	CDBG Home Rehab (2470)	Deed Automation Fund (2560)	Budget Stabilization (2570)	Law Library (2610)	Community Corrections (2640)
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 91,427	\$ 1,400,000	\$ 1,959	\$ -
Receivables							
Accounts	-	-	-	1,190	-	-	389
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	11,520	-	-	-	-	-	155,482
Accrued Interest	-	-	-	255	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 11,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,872</u>	<u>\$ 1,400,000</u>	<u>\$ 1,959</u>	<u>\$ 155,871</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ -	\$ -	\$ -	\$ 14,879	\$ -	\$ 1,959	\$ 78,185
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	13,134
Due to other funds	11,397	-	-	-	-	-	64,552
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>11,397</u>	<u>-</u>	<u>-</u>	<u>14,879</u>	<u>-</u>	<u>1,959</u>	<u>155,871</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	123	-	-	77,993	-	-	-
Undesignated	-	-	-	-	1,400,000	-	-
	<u>123</u>	<u>-</u>	<u>-</u>	<u>77,993</u>	<u>1,400,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,872</u>	<u>\$ 1,400,000</u>	<u>\$ 1,959</u>	<u>\$ 155,871</u>

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

	SPECIAL REVENUE						
	Project Cornerstone (2650)	WMET (2670)	TNT Drug (2671)	Prosecutor Drug Fund (2672)	Library (2710)	Wagner Peyser (2731)	TAA/NAFTA (2733)
ASSETS							
Cash and cash equivalents	\$ -	\$ 18,161	\$ 138,128	\$ 10,150	\$ 74,090	\$ -	\$ -
Receivables							
Accounts	-	-	1,695	-	11,072	135	1,881
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	7,791	-	-	-	-	45,875	-
Accrued Interest	-	(1)	790	180	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 7,791</u>	<u>\$ 18,160</u>	<u>\$ 140,613</u>	<u>\$ 10,330</u>	<u>\$ 85,162</u>	<u>\$ 46,010</u>	<u>\$ 1,881</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ -	\$ -	\$ -	\$ 504	\$ 15,258	\$ 6,137	\$ 1,710
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	2,852	-	-	-	37,452	-	-
Due to other funds	4,939	-	-	-	-	39,873	171
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>7,791</u>	<u>-</u>	<u>-</u>	<u>504</u>	<u>52,710</u>	<u>46,010</u>	<u>1,881</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	18,160	140,613	9,826	32,452	-	-
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>18,160</u>	<u>140,613</u>	<u>9,826</u>	<u>32,452</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,791</u>	<u>\$ 18,160</u>	<u>\$ 140,613</u>	<u>\$ 10,330</u>	<u>\$ 85,162</u>	<u>\$ 46,010</u>	<u>\$ 1,881</u>

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

	SPECIAL REVENUE						
	Marketing Grant (2736)	Reemployment Services (2738)	Economic Development Job Training (2750)	Workfirst (2751)	State Level Serv Center Operations (2757)	Food Stamp Program (2759)	WIA Admin Pool (2760)
ASSETS							
Cash and cash equivalents	\$ 13,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	1,815	276,013	617,021	3,684	37,116	116,360
Accrued Interest	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 13,169</u>	<u>\$ 1,815</u>	<u>\$ 276,013</u>	<u>\$ 617,021</u>	<u>\$ 3,684</u>	<u>\$ 37,116</u>	<u>\$ 116,460</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ 13,169	\$ 209	\$ 190,569	\$ 562,795	\$ 3,684	\$ 4,922	\$ 6,998
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	31,952
Due to other funds	-	1,606	85,444	54,226	-	32,194	77,510
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>13,169</u>	<u>1,815</u>	<u>276,013</u>	<u>617,021</u>	<u>3,684</u>	<u>37,116</u>	<u>116,460</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 13,169</u>	<u>\$ 1,815</u>	<u>\$ 276,013</u>	<u>\$ 617,021</u>	<u>\$ 3,684</u>	<u>\$ 37,116</u>	<u>\$ 116,460</u>

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

	SPECIAL REVENUE						
	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)	Welfare to Work (2764)	Strategic Planning (2765)	WIA Youth Statewide (2766)	Incumbent Worker Program (2768)
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 65,874	\$ -	\$ -
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	102,149	189,063	47,546	158,169	-	1,382	-
Accrued Interest	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 102,149</u>	<u>\$ 189,063</u>	<u>\$ 47,546</u>	<u>\$ 158,169</u>	<u>\$ 65,874</u>	<u>\$ 1,382</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ 83,469	\$ 22,444	\$ 36,392	\$ 116,351	\$ 65,874	\$ 189	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	3,886	-	-	-	-	-
Due to other funds	18,680	162,733	11,154	41,818	-	1,193	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>102,149</u>	<u>189,063</u>	<u>47,546</u>	<u>158,169</u>	<u>65,874</u>	<u>1,382</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 102,149</u>	<u>\$ 189,063</u>	<u>\$ 47,546</u>	<u>\$ 158,169</u>	<u>\$ 65,874</u>	<u>\$ 1,382</u>	<u>\$ -</u>

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

	SPECIAL REVENUE						
	Reed Act Funds (2769)	WTW Youth Program (2770)	Crime Victims' Rights (2800)	Partner for Adult Learning(PAL) (2820)	Comp Strategy Implementation Grant (2821)	Juv. Account- ability Incentive Block Grant (2831)	Community Gun Violence (2832)
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 332,828	\$ -	\$ -	\$ -
Receivables							
Accounts	-	-	-	-	3,536	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	652,875	42,867	26,678	-	60,665	9,221	20,437
Accrued Interest	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 652,875</u>	<u>\$ 42,867</u>	<u>\$ 26,678</u>	<u>\$ 332,828</u>	<u>\$ 64,201</u>	<u>\$ 9,221</u>	<u>\$ 20,437</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ 485,839	\$ 27,982	\$ -	\$ 233,190	\$ 9,374	\$ -	\$ -
Intergovernmental payable	-	-	-	99,638	-	-	-
Accrued liabilities	-	-	3,745	-	-	1,349	3,213
Due to other funds	167,036	14,885	22,933	-	51,095	7,872	17,224
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>652,875</u>	<u>42,867</u>	<u>26,678</u>	<u>332,828</u>	<u>60,469</u>	<u>9,221</u>	<u>20,437</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	3,732	-	-
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,732</u>	<u>-</u>	<u>-</u>
	<u>\$ 652,875</u>	<u>\$ 42,867</u>	<u>\$ 26,678</u>	<u>\$ 332,828</u>	<u>\$ 64,201</u>	<u>\$ 9,221</u>	<u>\$ 20,437</u>

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

	SPECIAL REVENUE						
	EDC Loan Revolving (2860)	Cherry Hill Loan (2871)	Rambusch-Fuchs CDBG Grant (2873)	Link Michigan Study Project (2880)	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)
ASSETS							
Cash and cash equivalents	\$ 296,277	\$ 41,439	\$ 3,549	\$ -	\$ 7,559	\$ 125	\$ 550
Receivables							
Accounts	94,691	-	-	-	-	20,000	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	-	14,236	4,018	167,624	559,583
Accrued Interest	1,716	225	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 392,684</u>	<u>\$ 41,664</u>	<u>\$ 3,549</u>	<u>\$ 14,236</u>	<u>\$ 11,577</u>	<u>\$ 187,749</u>	<u>\$ 560,133</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 11,577	\$ 12,345	\$ 129,468
Intergovernmental payable	-	-	-	-	-	163,000	-
Accrued liabilities	-	-	-	-	-	-	67,808
Due to other funds	-	-	-	14,236	-	12,404	362,857
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,236</u>	<u>11,577</u>	<u>187,749</u>	<u>560,133</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	392,684	41,664	3,549	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>392,684</u>	<u>41,664</u>	<u>3,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 392,684</u>	<u>\$ 41,664</u>	<u>\$ 3,549</u>	<u>\$ 14,236</u>	<u>\$ 11,577</u>	<u>\$ 187,749</u>	<u>\$ 560,133</u>

County of Muskegon

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2003

	SPECIAL REVENUE				DEBT SERVICE		
	Veteran's Trust (2940)	Muskegon Cnty Economic Dev. Commission (2960)	Mental Health Buildings (2970)	Victim Restitution (2980)	Convention Center Debt (3100)	Quality of Life Debt (3110)/(3111)	Hall of Justice Debt (3130)
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 448,678	\$ 37,978	\$ -	\$ 868,243	\$ 122,318
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	11,928	-	-	-	-	-	-
Accrued Interest	-	-	2,394	179	-	8,424	9
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 11,928</u>	<u>\$ -</u>	<u>\$ 451,072</u>	<u>\$ 38,157</u>	<u>\$ -</u>	<u>\$ 876,667</u>	<u>\$ 122,327</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ -	\$ -	\$ 19,625	\$ 80	\$ -	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	572	-	-	54,592	122,327
Due to other funds	11,928	-	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	314,216	-	-	-	-
	<u>11,928</u>	<u>-</u>	<u>334,413</u>	<u>80</u>	<u>-</u>	<u>54,592</u>	<u>122,327</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	116,659	-	-	822,075	-
Undesignated	-	-	-	38,077	-	-	-
	<u>-</u>	<u>-</u>	<u>116,659</u>	<u>38,077</u>	<u>-</u>	<u>822,075</u>	<u>-</u>
	<u>\$ 11,928</u>	<u>\$ -</u>	<u>\$ 451,072</u>	<u>\$ 38,157</u>	<u>\$ -</u>	<u>\$ 876,667</u>	<u>\$ 122,327</u>

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

	DEBT SERVICE		CAPITAL PROJECTS				
	Psychiatric Facility Debt (3141)	Halmond Center Debt (3142)/(3143)	Hall of Justice (4130)	Northside Water Michigan Adventure (4150)	Heritage Landing (4180)	Wickham Drive Expansion (4200)	Fruitport Twp Project (4615)
ASSETS							
Cash and cash equivalents	\$ 54,563	\$ 22,053	\$ -	\$ -	\$ -	\$ -	\$ 131,691
Receivables							
Accounts	6,361	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	66,051	-	-
Accrued Interest	327	518	1,583	-	156	-	719
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 61,251</u>	<u>\$ 22,571</u>	<u>\$ 1,583</u>	<u>\$ -</u>	<u>\$ 66,207</u>	<u>\$ -</u>	<u>\$ 132,410</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ -	-	\$ 467	\$ -	\$ -	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	7,605	21,410	-	-	-	-	-
Due to other funds	-	-	1,116	-	57,675	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>7,605</u>	<u>21,410</u>	<u>1,583</u>	<u>-</u>	<u>57,675</u>	<u>-</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	53,646	1,161	-	-	8,532	-	132,410
Undesignated	-	-	-	-	-	-	-
	<u>53,646</u>	<u>1,161</u>	<u>-</u>	<u>-</u>	<u>8,532</u>	<u>-</u>	<u>132,410</u>
	<u>\$ 61,251</u>	<u>\$ 22,571</u>	<u>\$ 1,583</u>	<u>\$ -</u>	<u>\$ 66,207</u>	<u>\$ -</u>	<u>\$ 132,410</u>

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

	CAPITAL PROJECTS						
	Fruitport/NS Sewer Project (4618)	Muskegon Township Sewer/Water (4640)	Public Improvement (4930)	Jail Expansion (4950)	Capital Improvement (4960)	Drain Revolving (6010)	Drain Projects (8010)
ASSETS							
Cash and cash equivalents	\$ 1,724,138	\$ 8,965	\$ 971,279	\$ -	\$ 38,453	\$ 21,412	\$ 322,567
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	88	-
Intergovernmental	-	-	-	-	-	-	-
Accrued Interest	10,160	-	8,143	-	-	-	1,518
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	500,000	-	300,000	-	-
	<u>\$ 1,734,298</u>	<u>\$ 8,965</u>	<u>\$ 1,479,422</u>	<u>\$ -</u>	<u>\$ 338,453</u>	<u>\$ 21,500</u>	<u>\$ 324,085</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ 13,514	\$ 8,965	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	3,134
Due to other funds	-	-	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	21,500	-
Deferred revenue	-	-	-	-	-	-	-
	<u>13,514</u>	<u>8,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,500</u>	<u>3,134</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	500,000	-	300,000	-	-
Unreserved							
Designated for programs	1,720,784	-	979,422	-	38,453	-	320,951
Undesignated	-	-	-	-	-	-	-
	<u>1,720,784</u>	<u>-</u>	<u>1,479,422</u>	<u>-</u>	<u>338,453</u>	<u>-</u>	<u>320,951</u>
	<u>\$ 1,734,298</u>	<u>\$ 8,965</u>	<u>\$ 1,479,422</u>	<u>\$ -</u>	<u>\$ 338,453</u>	<u>\$ 21,500</u>	<u>\$ 324,085</u>

County of Muskegon

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2003

	PERMANENT FUNDS		
	Cemetery	Medical Care	
	Trust	Facility	
	Endowment		
	(1500)	(1550)	Total
			All Funds
ASSETS			
Cash and cash equivalents	\$ 35,014	\$ 23,781	\$ 8,305,064
Receivables			
Accounts	-	-	510,821
Assessments receivable-deferred	-	-	88
Intergovernmental	-	-	4,397,776
Accrued Interest	-	151	37,970
Prepaid Items	-	-	6,375
Long-term Note receivable	-	-	800,000
	<u>\$ 35,014</u>	<u>\$ 23,932</u>	<u>\$ 14,058,094</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ -	\$ -	2,657,209
Intergovernmental payable	-	-	266,542
Accrued liabilities	-	-	780,670
Due to other funds	-	-	2,036,190
Long-term advance from other funds	-	-	21,500
Deferred revenue	-	-	454,124
	<u>-</u>	<u>-</u>	<u>6,216,235</u>
Fund balance (deficit)			
Reserved for long-term note receivable	-	-	800,000
Unreserved			
Designated for programs	35,014	23,932	5,603,782
Undesignated	-	-	1,438,077
	<u>35,014</u>	<u>23,932</u>	<u>7,841,859</u>
	<u>\$ 35,014</u>	<u>\$ 23,932</u>	<u>\$ 14,058,094</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

	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)
Revenues							
Grants							
State	\$ 59,823	\$ -	\$ -	\$ 107,193	\$ 193,998	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	116,127	-	39,440	-	17,507	-	-
Local Units	-	-	-	-	-	139,798	204,415
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	13,267	422	-	-	-
	<u>175,950</u>	<u>-</u>	<u>52,707</u>	<u>107,615</u>	<u>211,505</u>	<u>139,798</u>	<u>204,415</u>
Expenditures							
Current Operations							
Judicial	-	129,646	-	-	-	-	-
General County government	261,460	-	-	-	-	-	-
Public Safety	-	-	240,831	160,673	185,461	157,342	416,837
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	9,638	-	26,232	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>261,460</u>	<u>129,646</u>	<u>250,469</u>	<u>160,673</u>	<u>211,693</u>	<u>157,342</u>	<u>416,837</u>
Revenues over (under) expenditures	(85,510)	(129,646)	(197,762)	(53,058)	(188)	(17,544)	(212,422)
Other financing sources (uses)							
Transfers in	85,510	129,646	192,632	58,058	-	17,544	212,422
Bond Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	188	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>85,510</u>	<u>129,646</u>	<u>192,632</u>	<u>58,058</u>	<u>188</u>	<u>17,544</u>	<u>212,422</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	(5,130)	5,000	-	-	-
Fund balance at beginning of year	-	-	25,653	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 20,523	\$ 5,000	\$ -	\$ -	\$ -

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

	SPECIAL REVENUE						
	Park Fund (2080)	Prosecutor Family Court (2140)	Friend of the Court (2150)	Family Court Re-entry Initiative (2152)	Special Improvement Project (2155)	Health Department (2210)	Accommodations Tax (2300)
Revenues							
Grants							
State	\$ -	\$ 53,586	\$ 803,572	\$ 20,066	\$ -	\$ 1,371,971	\$ -
Federal	-	-	-	-	70,512	9,120	-
Federal pass-thru	-	-	1,516,173	-	-	1,792,482	-
Local Units	-	-	-	-	-	94,250	-
Charges for services rendered	540,238	-	235,138	-	-	980,592	-
Taxes	-	-	-	-	-	269,443	771,818
Contributions from private sources	-	-	-	-	-	2,352	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	1,644	-	-	-	-	2	79
Rentals	-	-	-	-	-	302	-
Other	15,488	-	41,739	-	-	1,167,859	-
	<u>557,370</u>	<u>53,586</u>	<u>2,596,622</u>	<u>20,066</u>	<u>70,512</u>	<u>5,688,373</u>	<u>771,897</u>
Expenditures							
Current Operations							
Judicial	-	-	1,187,364	-	-	-	-
General County government	-	190,192	2,946,141	20,066	70,512	-	662,917
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	7,673,330	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	537,397	-	-	-	-	-	-
Capital Outlay	24,442	-	-	-	-	55,796	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>561,839</u>	<u>190,192</u>	<u>4,133,505</u>	<u>20,066</u>	<u>70,512</u>	<u>7,729,126</u>	<u>662,917</u>
Revenues over (under) expenditures	(4,469)	(136,606)	(1,536,883)	-	-	(2,040,753)	108,980
Other financing sources (uses)							
Transfers in	39,996	136,606	1,533,694	187,500	-	2,035,595	-
Bond Proceeds	-	-	-	-	-	-	-
Sale of Assets	363	-	227	-	-	1,758	-
Transfers (out)	(148,809)	-	-	-	-	-	(64,343)
Total other financing sources (uses)	<u>(108,450)</u>	<u>136,606</u>	<u>1,533,921</u>	<u>187,500</u>	<u>-</u>	<u>2,037,353</u>	<u>(64,343)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(112,919)	-	(2,962)	187,500	-	(3,400)	44,637
Fund balance at beginning of year	162,861	-	211,669	-	-	114,403	2,635
Fund balance at end of year	\$ 49,942	\$ -	\$ 208,707	\$ 187,500	\$ -	\$ 111,003	\$ 47,272

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

	SPECIAL REVENUE						
	Parks Development (2411)	Sewage Facilities Step One (2430)	CDBG Home Rehab (2470)	Deed Automation Fund (2560)	Budget Stabilization (2570)	Law Library (2610)	Community Corrections (2640)
Revenues							
Grants							
State	\$ 115,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 722,487
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	23,910	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	178,750	-	171	154,819
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	6,500	-
Investment Income	-	775	-	421	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>115,200</u>	<u>775</u>	<u>23,910</u>	<u>179,171</u>	<u>-</u>	<u>6,671</u>	<u>877,306</u>
Expenditures							
Current Operations							
Judicial	-	-	-	-	-	18,261	-
General County government	-	-	-	101,178	-	-	-
Public Safety	-	-	-	-	-	-	1,230,636
Health	-	3,646	-	-	-	-	-
Welfare	-	-	23,910	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	1,697	-	-	-	-	-	-
Capital Outlay	262,312	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>264,009</u>	<u>3,646</u>	<u>23,910</u>	<u>101,178</u>	<u>-</u>	<u>18,261</u>	<u>1,230,636</u>
Revenues over (under) expenditures	(148,809)	(2,871)	-	77,993	-	(11,590)	(353,330)
Other financing sources (uses)							
Transfers in	148,809	-	-	-	50,000	11,590	351,918
Bond Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	(42,942)	-	-	-	-	-
Total other financing sources (uses)	<u>148,809</u>	<u>(42,942)</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>11,590</u>	<u>351,918</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(45,813)	-	77,993	50,000	-	(1,412)
Fund balance at beginning of year	<u>123</u>	<u>45,813</u>	<u>-</u>	<u>-</u>	<u>1,350,000</u>	<u>-</u>	<u>1,412</u>
Fund balance at end of year	<u>\$ 123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,993</u>	<u>\$ 1,400,000</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, 2003

	SPECIAL REVENUE						
	Project Cornerstone (2650)	WMET (2670)	TNT Drug (2671)	Prosecutor Drug Fund (2672)	Library (2710)	Wagner Peyser (2731)	TAA/NAFTA (2733)
Revenues							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ 141,037	\$ -	\$ -
Federal	45,996	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	429,685	155,526
Local Units	-	-	-	-	40,951	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	1,500	9,485	-	32,705	-	-
Fines and forfeiture	-	-	-	-	444,463	-	-
Investment Income	-	-	2,828	644	-	-	-
Rentals	-	-	-	-	5,503	-	-
Other	-	-	38	-	116,736	-	-
	<u>45,996</u>	<u>1,500</u>	<u>12,351</u>	<u>644</u>	<u>781,395</u>	<u>429,685</u>	<u>155,526</u>
Expenditures							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	119,876	(13)	21,433	5,400	-	-	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	418,693	155,526
Culture	-	-	-	-	1,621,426	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	9,973	-	-	10,992	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>119,876</u>	<u>(13)</u>	<u>31,406</u>	<u>5,400</u>	<u>1,621,426</u>	<u>429,685</u>	<u>155,526</u>
Revenues over (under) expenditures	(73,880)	1,513	(19,055)	(4,756)	(840,031)	-	-
Other financing sources (uses)							
Transfers in	73,880	-	-	-	844,305	-	-
Bond Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(20,590)	-	-	-
Total other financing sources (uses)	<u>73,880</u>	<u>-</u>	<u>-</u>	<u>(20,590)</u>	<u>844,305</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	1,513	(19,055)	(25,346)	4,274	-	-
Fund balance at beginning of year	-	16,647	159,668	35,172	28,178	-	-
Fund balance at end of year	\$ -	\$ 18,160	\$ 140,613	\$ 9,826	\$ 32,452	\$ -	\$ -

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

	SPECIAL REVENUE						
	Marketing Grant (2736)	Reemployment Services (2738)	Economic Development Job Training (2750)	Workfirst (2751)	State Level Serv Center Operations (2757)	Food Stamp Program (2759)	WIA Admin Pool (2760)
Revenues							
Grants							
State	\$ -	\$ -	\$ 245,609	\$ -	\$ 3,684	\$ 116	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	35,866	-	1,150,547	-	67,950	262,733
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	7	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	-	35,866	245,609	1,150,554	3,684	68,066	262,733
Expenditures							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	-	35,866	245,609	1,150,554	3,684	68,066	254,457
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	8,276
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	-	35,866	245,609	1,150,554	3,684	68,066	262,733
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

	SPECIAL REVENUE						
	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)	Welfare to Work (2764)	Strategic Planning (2765)	WIA Youth Statewide (2766)	Incumbent Worker Program (2768)
Revenues							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,689	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	652,337	1,560,169	511,706	400,685	-	-	(1,887)
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	28	27	386	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>652,365</u>	<u>1,560,196</u>	<u>512,092</u>	<u>400,685</u>	<u>-</u>	<u>12,689</u>	<u>(1,887)</u>
Expenditures							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	652,365	1,560,196	512,092	400,685	-	12,689	(1,887)
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>652,365</u>	<u>1,560,196</u>	<u>512,092</u>	<u>400,685</u>	<u>-</u>	<u>12,689</u>	<u>(1,887)</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

	SPECIAL REVENUE						
	Reed Act Funds (2769)	WTW Youth Program (2770)	Crime Victims' Rights (2800)	Partner for Adult Learning(PAL) (2820)	Comp Strategy Implementation Grant (2821)	Juv. Account- ability Incentive Block Grant (2831)	Community Gun Violence (2832)
Revenues							
Grants							
State	\$ -	\$ -	\$ -	\$ 665,835	\$ 135,146	\$ -	\$ -
Federal	-	-	137,997	-	-	-	-
Federal pass-thru	2,329,006	217,136	-	-	-	56,881	74,500
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	794	-	-	-	-
	<u>2,329,006</u>	<u>217,136</u>	<u>138,791</u>	<u>665,835</u>	<u>135,146</u>	<u>56,881</u>	<u>74,500</u>
Expenditures							
Current Operations							
Judicial	-	-	-	-	-	63,275	100,959
General County government	-	-	-	-	148,211	-	-
Public Safety	-	-	142,839	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	2,329,006	217,136	-	665,835	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>2,329,006</u>	<u>217,136</u>	<u>142,839</u>	<u>665,835</u>	<u>148,211</u>	<u>63,275</u>	<u>100,959</u>
Revenues over (under) expenditures	-	-	(4,048)	-	(13,065)	(6,394)	(26,459)
Other financing sources (uses)							
Transfers in	-	-	4,048	-	16,797	6,394	26,459
Bond Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,048</u>	<u>-</u>	<u>16,797</u>	<u>6,394</u>	<u>26,459</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	3,732	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ 3,732	\$ -	\$ -

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

	SPECIAL REVENUE						
	EDC Loan Revolving (2860)	Cherry Hill Loan (2871)	Rambusch-Fuchs CDBG Grant (2873)	Link Michigan Study Project (2880)	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)
Revenues							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ 67,673	\$ 986,934	\$ 2,226,314
Federal	-	-	-	-	-	-	27,047
Federal pass-thru	-	-	-	100,000	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	9,855	776	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	96,378	-	-	-	-	65,777	81,100
	<u>106,233</u>	<u>776</u>	<u>-</u>	<u>100,000</u>	<u>67,673</u>	<u>1,052,711</u>	<u>2,334,461</u>
Expenditures							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	53,956	117	-	105,000	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	1,062,760	5,299,411
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	75,673	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>53,956</u>	<u>117</u>	<u>-</u>	<u>105,000</u>	<u>75,673</u>	<u>1,062,760</u>	<u>5,299,411</u>
Revenues over (under) expenditures	52,277	659	-	(5,000)	(8,000)	(10,049)	(2,964,950)
Other financing sources (uses)							
Transfers in	-	-	-	5,000	8,000	10,049	2,964,950
Bond Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	(5,174)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(5,174)</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>8,000</u>	<u>10,049</u>	<u>2,964,950</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	47,103	659	-	-	-	-	-
Fund balance at beginning of year	345,581	41,005	3,549	-	-	-	-
Fund balance at end of year	\$ 392,684	\$ 41,664	\$ 3,549	\$ -	\$ -	\$ -	\$ -

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

	SPECIAL REVENUE				DEBT SERVICE		
	Veteran's Trust (2940)	Muskegon Cnty Economic Dev. Commission (2960)	Mental Health Buildings (2970)	Victim Restitution (2980)	Convention Center Debt (3100)	Quality of Life Debt (3110)/(3111)	Hall of Justice Debt (3130)
Revenues							
Grants							
State	\$ 23,416	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	15,493	-	-	-
Taxes	-	-	-	-	-	1,399,789	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	8,289	578	2,813	24,024	133
Rentals	-	-	242,508	-	-	-	-
Other	-	-	47,928	-	-	-	-
	<u>23,416</u>	<u>-</u>	<u>298,725</u>	<u>16,071</u>	<u>2,813</u>	<u>1,423,813</u>	<u>133</u>
Expenditures							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	597	-	5,211	-	-	250
Public Safety	-	-	-	-	-	-	-
Health	-	-	301,013	-	-	-	-
Welfare	23,416	-	-	-	-	-	-
Culture	-	-	-	-	700	71	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	250,000	550,000	180,000
Interest	-	-	-	-	11,625	692,137	312,829
Other	-	-	-	-	-	-	-
	<u>23,416</u>	<u>597</u>	<u>301,013</u>	<u>5,211</u>	<u>262,325</u>	<u>1,242,208</u>	<u>493,079</u>
Revenues over (under) expenditures	-	(597)	(2,288)	10,860	(259,512)	181,605	(492,946)
Other financing sources (uses)							
Transfers in	-	597	-	-	64,343	-	492,946
Bond Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>597</u>	<u>-</u>	<u>-</u>	<u>64,343</u>	<u>-</u>	<u>492,946</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	(2,288)	10,860	(195,169)	181,605	-
Fund balance at beginning of year	-	-	118,947	27,217	195,169	640,470	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,659</u>	<u>\$ 38,077</u>	<u>\$ -</u>	<u>\$ 822,075</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, 2003

	DEBT SERVICE		CAPITAL PROJECTS				
	Psychiatric Facility Debt (3141)	Halmond Center Debt (3142)/(3143)	Hall of Justice (4130)	Northside Water Michigan Adventure (4150)	Heritage Landing (4180)	Wickham Drive Expansion (4200)	Fruitport Twp Project (4615)
Revenues							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	421	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	1,362	1,876	8,075	-	-	-	2,463
Rentals	219,919	87,097	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>221,281</u>	<u>88,973</u>	<u>8,075</u>	<u>-</u>	<u>-</u>	<u>421</u>	<u>2,463</u>
Expenditures							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	17,049	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	521	1,271	-	34,171	-	595	180
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	66,724	-	-
Capital Outlay	-	-	1,293,809	-	30,550	-	-
Debt Services							
Principal	220,000	130,000	-	-	-	-	-
Interest	23,450	54,454	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>243,971</u>	<u>185,725</u>	<u>1,310,858</u>	<u>34,171</u>	<u>97,274</u>	<u>595</u>	<u>180</u>
Revenues over (under) expenditures	(22,690)	(96,752)	(1,302,783)	(34,171)	(97,274)	(174)	2,283
Other financing sources (uses)							
Transfers in	-	-	559,744	34,171	97,274	174	-
Bond Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	(366,610)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>193,134</u>	<u>34,171</u>	<u>97,274</u>	<u>174</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(22,690)	(96,752)	(1,109,649)	-	-	-	2,283
Fund balance at beginning of year	76,336	97,913	1,109,649	-	8,532	-	130,127
Fund balance at end of year	<u>\$ 53,646</u>	<u>\$ 1,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,532</u>	<u>\$ -</u>	<u>\$ 132,410</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

	CAPITAL PROJECTS						
	Fruitport/NS Sewer Project (4618)	Muskegon Township Sewer/Water (4640)	Public Improvement (4930)	Jail Expansion (4950)	Capital Improvement (4960)	Drain Revolving (6010)	Drain Projects (8010)
Revenues							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	6,884	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	42,294
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	35,328	-	27,341	-	-	-	5,240
Rentals	-	-	22,788	-	-	-	-
Other	-	-	832	-	-	-	-
	<u>35,328</u>	<u>-</u>	<u>57,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,534</u>
Expenditures							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	42,920	-	-	-
Health	35,432	132,243	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	272,107	1,160,326	7,716	130,322	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	417	-	184	-	54,312
	<u>307,539</u>	<u>1,292,569</u>	<u>8,133</u>	<u>173,242</u>	<u>184</u>	<u>-</u>	<u>54,312</u>
Revenues over (under) expenditures	(272,211)	(1,292,569)	49,712	(173,242)	(184)	-	(6,778)
Other financing sources (uses)							
Transfers in	-	1,292,569	-	173,242	-	-	47,574
Bond Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	163	-	-	-	-
Transfers (out)	-	-	(596,020)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,292,569</u>	<u>(595,857)</u>	<u>173,242</u>	<u>-</u>	<u>-</u>	<u>47,574</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(272,211)	-	(546,145)	-	(184)	-	40,796
Fund balance at beginning of year	<u>1,992,995</u>	<u>-</u>	<u>2,025,567</u>	<u>-</u>	<u>338,637</u>	<u>-</u>	<u>280,155</u>
Fund balance at end of year	<u>\$ 1,720,784</u>	<u>\$ -</u>	<u>\$ 1,479,422</u>	<u>\$ -</u>	<u>\$ 338,453</u>	<u>\$ -</u>	<u>\$ 320,951</u>

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

	PERMANENT FUNDS		
	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	Total All Funds
Revenues			
Grants			
State	\$ -	\$ -	\$ 7,956,349
Federal	-	-	290,672
Federal pass-thru	-	-	11,515,784
Local Units	-	-	479,414
Charges for services rendered	-	-	2,147,495
Taxes	-	-	2,441,050
Contributions from private sources	1,500	-	47,542
Fines and forfeiture	-	-	450,963
Investment Income	306	555	135,855
Rentals	-	-	578,117
Other	-	-	1,648,358
	<u>1,806</u>	<u>555</u>	<u>27,691,599</u>
Expenditures			
Current Operations			
Judicial	-	-	1,499,505
General County government	413	10,247	4,593,517
Public Safety	-	-	2,724,235
Health	-	-	14,544,573
Welfare	-	-	8,727,898
Culture	-	-	1,697,870
Recreation	-	-	605,818
Capital Outlay	-	-	3,302,491
Debt Services			
Principal	-	-	1,330,000
Interest	-	-	1,094,495
Other	-	-	54,913
	<u>413</u>	<u>10,247</u>	<u>40,175,315</u>
Revenues over (under) expenditures	1,393	(9,692)	(12,483,716)
Other financing sources (uses)			
Transfers in	-	-	11,914,036
Bond Proceeds	-	-	-
Sale of Assets	-	-	2,699
Transfers (out)	-	-	(1,244,488)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10,672,247</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,393	(9,692)	(1,811,469)
Fund balance at beginning of year	<u>33,621</u>	<u>33,624</u>	<u>9,653,328</u>
Fund balance at end of year	<u>\$ 35,014</u>	<u>\$ 23,932</u>	<u>\$ 7,841,859</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, 2003

	Cooperative Reimbursement Prosecutor (1150)			Next Generation Implementation (1170)			Emergency Services (1190)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ 203,262	\$ 59,823	(\$ 143,439)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	116,127	116,127	-	-	-	333,025	39,440	(293,585)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	23,000	13,267	(9,733)
	<u>203,262</u>	<u>175,950</u>	<u>(27,312)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356,025</u>	<u>52,707</u>	<u>(303,318)</u>
Expenditures									
Current operations									
Judicial	-	-	-	125,605	129,646	(4,041)	-	-	-
General County government	293,003	261,460	31,543	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	257,848	240,831	17,017
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	289,145	9,638	279,507
	<u>293,003</u>	<u>261,460</u>	<u>31,543</u>	<u>125,605</u>	<u>129,646</u>	<u>(4,041)</u>	<u>546,993</u>	<u>250,469</u>	<u>296,524</u>
Revenues over (under) expenditures	(89,741)	(85,510)	4,231	(125,605)	(129,646)	(4,041)	(190,968)	(197,762)	(6,794)
Other financing sources (uses)									
Transfers in	89,741	85,510	(4,231)	125,605	129,646	4,041	190,968	192,632	1,664
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	89,741	85,510	(4,231)	125,605	129,646	4,041	190,968	192,632	1,664
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	-	-	-	(5,130)	(5,130)
Fund balance at beginning of year	-	-	-	-	-	-	25,653	25,653	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,653	\$ 20,523	(\$ 5,130)

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, 2003**

	Marine Safety (1200)			Sheriff Road Patrol (1210)			School Liaison (1230)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ 121,886	\$ 107,193	(\$ 14,693)	\$ 196,931	\$ 193,998	(\$ 2,933)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	30,377	17,507	(12,870)	-	-	-
Local units	-	-	-	-	-	-	140,288	139,798	(490)
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	382	422	40	-	-	-	-	-	-
	<u>122,268</u>	<u>107,615</u>	<u>(14,653)</u>	<u>227,308</u>	<u>211,505</u>	<u>(15,803)</u>	<u>140,288</u>	<u>139,798</u>	<u>(490)</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	185,035	160,673	24,362	200,569	185,461	15,108	157,972	157,342	630
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	26,739	26,232	507	-	-	-
	<u>185,035</u>	<u>160,673</u>	<u>24,362</u>	<u>227,308</u>	<u>211,693</u>	<u>15,615</u>	<u>157,972</u>	<u>157,342</u>	<u>630</u>
Revenues over (under) expenditures	(62,767)	(53,058)	9,709	-	(188)	(188)	(17,684)	(17,544)	140
Other financing sources (uses)									
Transfers in	65,267	58,058	(7,209)	-	-	-	17,684	17,544	(140)
Sale of Assets	-	-	-	-	188	188	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>65,267</u>	<u>58,058</u>	<u>(7,209)</u>	<u>-</u>	<u>188</u>	<u>188</u>	<u>17,684</u>	<u>17,544</u>	<u>(140)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>2,500</u>	<u>5,000</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ 2,500</u>	<u>\$ 5,000</u>	<u>\$ 2,500</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, 2003

	Township Patrols (1240)			Park Fund (2080)			Prosecutor Family Court (2140)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,586	\$ 53,586	(\$ 14,000)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	204,415	204,415	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	565,000	540,238	(24,762)	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	1,400	1,644	244	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	15,492	15,488	(4)	-	-	-
	<u>204,415</u>	<u>204,415</u>	<u>-</u>	<u>581,892</u>	<u>557,370</u>	<u>(24,522)</u>	<u>67,586</u>	<u>53,586</u>	<u>(14,000)</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	189,647	190,192	(545)
Public safety	413,838	416,837	(2,999)	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	572,756	537,397	35,359	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	24,442	24,442	-	-	-	-
	<u>413,838</u>	<u>416,837</u>	<u>(2,999)</u>	<u>597,198</u>	<u>561,839</u>	<u>35,359</u>	<u>189,647</u>	<u>190,192</u>	<u>(545)</u>
Revenues over (under) expenditures	(209,423)	(212,422)	(2,999)	(15,306)	(4,469)	10,837	(122,061)	(136,606)	(14,545)
Other financing sources (uses)									
Transfers in	209,423	212,422	2,999	40,000	39,996	(4)	122,061	136,606	14,545
Sale of Assets	-	-	-	500	363	(137)	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(143,184)	(148,809)	(5,625)	-	-	-
Total other financing sources (uses)	<u>209,423</u>	<u>212,422</u>	<u>2,999</u>	<u>(102,684)</u>	<u>(108,450)</u>	<u>(5,766)</u>	<u>122,061</u>	<u>136,606</u>	<u>14,545</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	(117,990)	(112,919)	5,071	-	-	-
Fund balance at beginning of year	-	-	-	162,861	162,861	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,871</u>	<u>\$ 49,942</u>	<u>\$ 5,071</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, 2003

	Friend of the Court (2150)			Family Court Re-entry Initiative (2152)			Special Improvement Project (2155)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ 2,120,062	\$ 803,572	(\$ 1,316,490)	\$ 14,759	\$ 20,066	\$ 5,307	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	105,761	70,512	(35,249)
Federal pass-thru	398,554	1,516,173	1,117,619	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	225,550	235,138	9,588	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	44,400	41,739	(2,661)	-	-	-	-	-	-
	<u>2,788,566</u>	<u>2,596,622</u>	<u>(191,944)</u>	<u>14,759</u>	<u>20,066</u>	<u>5,307</u>	<u>105,761</u>	<u>70,512</u>	<u>(35,249)</u>
Expenditures									
Current operations									
Judicial	1,224,783	1,187,364	37,419	-	-	-	-	-	-
General County government	3,102,926	2,946,141	156,785	14,759	20,066	(5,307)	105,761	70,512	35,249
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	3,125	-	3,125	-	-	-	-	-	-
	<u>4,330,834</u>	<u>4,133,505</u>	<u>197,329</u>	<u>14,759</u>	<u>20,066</u>	<u>(5,307)</u>	<u>105,761</u>	<u>70,512</u>	<u>35,249</u>
Revenues over (under) expenditures	(1,542,268)	(1,536,883)	5,385	-	-	-	-	-	-
Other financing sources (uses)									
Transfers in	1,542,268	1,533,694	(8,574)	-	187,500	187,500	-	-	-
Sale of Assets	-	227	227	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,542,268	1,533,921	(8,347)	-	187,500	187,500	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(2,962)	(2,962)	-	187,500	187,500	-	-	-
Fund balance at beginning of year	211,669	211,669	-	-	-	-	-	-	-
Fund balance at end of year	\$ 211,669	\$ 208,707	(\$ 2,962)	\$ -	\$ 187,500	\$ 187,500	\$ -	\$ -	\$ -

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, 2003**

	Health Department (2210)			Accommodations Tax (2300)			Parks Development (2411)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ 2,918,716	\$ 1,371,971	(\$ 1,546,745)	\$ -	\$ -	\$ -	\$ 115,200	\$ 115,200	\$ -
Federal	-	9,120	9,120	-	-	-	-	-	-
Federal pass-thru	-	1,792,482	1,792,482	-	-	-	-	-	-
Local units	96,050	94,250	(1,800)	-	-	-	-	-	-
Charges for services rendered	990,201	980,592	(9,609)	-	-	-	-	-	-
Contributions from private sources	1,275	2,352	1,077	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	2	2	100	79	(21)	-	-	-
Taxes	229,507	269,443	39,936	761,971	771,818	9,847	-	-	-
Rentals	450	302	(148)	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	766,583	1,167,859	401,276	-	-	-	-	-	-
	<u>5,002,782</u>	<u>5,688,373</u>	<u>685,591</u>	<u>762,071</u>	<u>771,897</u>	<u>9,826</u>	<u>115,200</u>	<u>115,200</u>	<u>-</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	672,589	662,917	9,672	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	6,939,882	7,673,330	(733,448)	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	6,617	1,697	4,920
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	78,441	55,796	22,645	-	-	-	251,890	262,312	(10,422)
	<u>7,018,323</u>	<u>7,729,126</u>	<u>(710,803)</u>	<u>672,589</u>	<u>662,917</u>	<u>9,672</u>	<u>258,507</u>	<u>264,009</u>	<u>(5,502)</u>
Revenues over (under) expenditures	(2,015,541)	(2,040,753)	(25,212)	89,482	108,980	19,498	(143,307)	(148,809)	(5,502)
Other financing sources (uses)									
Transfers in	2,015,541	2,035,595	20,054	-	-	-	143,184	148,809	5,625
Sale of Assets	-	1,758	1,758	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(62,617)	(64,343)	(1,726)	-	-	-
Total other financing sources (uses)	2,015,541	2,037,353	21,812	(62,617)	(64,343)	(1,726)	143,184	148,809	5,625
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(3,400)	(3,400)	26,865	44,637	17,772	(123)	-	123
Fund balance at beginning of year	114,403	114,403	-	2,635	2,635	-	123	123	-
Fund balance at end of year	\$ 114,403	\$ 111,003	(\$ 3,400)	\$ 29,500	\$ 47,272	\$ 17,772	\$ -	\$ 123	\$ 123

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, 2003

	Sewage Facilities Step One (2430)			CDBG Home Rehab (2470)			Deed Automation Fund (2560)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	30,000	23,910	(6,090)	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	182,100	178,750	(3,350)
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	900	775	(125)	-	-	-	300	421	121
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>900</u>	<u>775</u>	<u>(125)</u>	<u>30,000</u>	<u>23,910</u>	<u>(6,090)</u>	<u>182,400</u>	<u>179,171</u>	<u>(3,229)</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	129,028	101,178	27,850
Public safety	-	-	-	-	-	-	-	-	-
Health	3,646	3,646	-	-	-	-	-	-	-
Welfare	-	-	-	30,000	23,910	6,090	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	2,500	-	2,500
	<u>3,646</u>	<u>3,646</u>	<u>-</u>	<u>30,000</u>	<u>23,910</u>	<u>6,090</u>	<u>131,528</u>	<u>101,178</u>	<u>30,350</u>
Revenues over (under) expenditures	(2,746)	(2,871)	(125)	-	-	-	50,872	77,993	27,121
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	(42,942)	(42,942)	-	-	-	-	-	-
Total other financing sources (uses)	-	(42,942)	(42,942)	-	-	-	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,746)	(45,813)	(43,067)	-	-	-	50,872	77,993	27,121
Fund balance at beginning of year	45,813	45,813	-	-	-	-	-	-	-
Fund balance at end of year	\$ 43,067	\$ -	(\$ 43,067)	\$ -	\$ -	\$ -	\$ 50,872	\$ 77,993	\$ 27,121

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, 2003**

	Budget Stabilization (2570)			Law Library (2610)			Community Corrections (2640)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 792,125	\$ 722,487	(\$ 69,638)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	171	171	166,590	154,819	(11,771)
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	6,500	6,500	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	-	-	-	6,500	6,671	171	958,715	877,306	(81,409)
Expenditures									
Current operations									
Judicial	-	-	-	21,445	18,261	3,184	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	1,290,643	1,230,636	60,007
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	1,000	-	1,000
	-	-	-	21,445	18,261	3,184	1,291,643	1,230,636	61,007
Revenues over (under) expenditures	-	-	-	(14,945)	(11,590)	3,355	(332,928)	(353,330)	(20,402)
Other financing sources (uses)									
Transfers in	-	50,000	50,000	14,945	11,590	(3,355)	332,928	351,918	18,990
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	50,000	50,000	14,945	11,590	(3,355)	332,928	351,918	18,990
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	50,000	50,000	-	-	-	-	(1,412)	(1,412)
Fund balance at beginning of year	1,350,000	1,350,000	-	-	-	-	1,412	1,412	-
Fund balance at end of year	\$ 1,350,000	\$ 1,400,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 1,412	\$ -	(\$ 1,412)

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, 2003

	Project Cornerstone (2650)			WMET (2670)			TNT Drug (2671)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	44,779	45,996	1,217	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	1,500	1,500	-	9,485	9,485
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	4,000	2,828	(1,172)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	38	38
	<u>44,779</u>	<u>45,996</u>	<u>1,217</u>	<u>-</u>	<u>1,500</u>	<u>1,500</u>	<u>4,000</u>	<u>12,351</u>	<u>8,351</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	121,705	119,876	1,829	340	(13)	353	15,362	21,433	(6,071)
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	10,000	9,973	27
	<u>121,705</u>	<u>119,876</u>	<u>1,829</u>	<u>340</u>	<u>(13)</u>	<u>353</u>	<u>25,362</u>	<u>31,406</u>	<u>(6,044)</u>
Revenues over (under) expenditures	(76,926)	(73,880)	3,046	(340)	1,513	1,853	(21,362)	(19,055)	2,307
Other financing sources (uses)									
Transfers in	76,926	73,880	(3,046)	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(16,307)	-	16,307	-	-	-
Total other financing sources (uses)	76,926	73,880	(3,046)	(16,307)	-	16,307	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	(16,647)	1,513	18,160	(21,362)	(19,055)	2,307
Fund balance at beginning of year	-	-	-	16,647	16,647	-	159,668	159,668	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ 18,160	\$ 18,160	\$ 138,306	\$ 140,613	\$ 2,307

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, 2003**

	Prosecutor Drug Fund (2672)			Library (2710)			Wagner Peyser (2731)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ 140,642	\$ 141,037	\$ 395	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	618,950	429,685	(189,265)
Local units	-	-	-	38,000	40,951	2,951	-	-	-
Charges for services rendered	-	-	-	8,248	-	(8,248)	-	-	-
Contributions from private sources	-	-	-	36,950	32,705	(4,245)	-	-	-
Fines and forfeitures	-	-	-	435,000	444,463	9,463	-	-	-
Investment income	800	644	(156)	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	6,000	5,503	(497)	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	118,300	116,736	(1,564)	-	-	-
	<u>800</u>	<u>644</u>	<u>(156)</u>	<u>783,140</u>	<u>781,395</u>	<u>(1,745)</u>	<u>618,950</u>	<u>429,685</u>	<u>(189,265)</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	9,595	5,400	4,195	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	580,950	418,693	162,257
Culture	-	-	-	1,654,842	1,621,426	33,416	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	38,000	10,992	27,008
	<u>9,595</u>	<u>5,400</u>	<u>4,195</u>	<u>1,654,842</u>	<u>1,621,426</u>	<u>33,416</u>	<u>618,950</u>	<u>429,685</u>	<u>189,265</u>
Revenues over (under) expenditures	(8,795)	(4,756)	4,039	(871,702)	(840,031)	31,671	-	-	-
Other financing sources (uses)									
Transfers in	-	-	-	846,024	844,305	(1,719)	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	(26,377)	(20,590)	5,787	-	-	-	-	-	-
Total other financing sources (uses)	<u>(26,377)</u>	<u>(20,590)</u>	<u>5,787</u>	<u>846,024</u>	<u>844,305</u>	<u>(1,719)</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(35,172)	(25,346)	9,826	(25,678)	4,274	29,952	-	-	-
Fund balance at beginning of year	35,172	35,172	-	28,178	28,178	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 9,826</u>	<u>\$ 9,826</u>	<u>\$ 2,500</u>	<u>\$ 32,452</u>	<u>\$ 29,952</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, 2003

	TAA/NAFTA (2733)			Reemployment Services (2738)			Economic Development Job Training (2750)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ 245,609	(\$ 504,391)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	350,000	155,526	(194,474)	56,160	35,866	(20,294)	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>350,000</u>	<u>155,526</u>	<u>(194,474)</u>	<u>56,160</u>	<u>35,866</u>	<u>(20,294)</u>	<u>750,000</u>	<u>245,609</u>	<u>(504,391)</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	350,000	155,526	194,474	56,160	35,866	20,294	750,000	245,609	504,391
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>350,000</u>	<u>155,526</u>	<u>194,474</u>	<u>56,160</u>	<u>35,866</u>	<u>20,294</u>	<u>750,000</u>	<u>245,609</u>	<u>504,391</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
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>	<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, 2003

	Workfirst (2751)			State Level Service Center Operations (2757)			Food Stamp Program (2759)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ 3,888	\$ 3,684	(\$ 204)	\$ 3,000	\$ 116	(\$ 2,884)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	1,050,954	1,150,547	99,593	-	-	-	117,943	67,950	(49,993)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	7	7	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,050,954</u>	<u>1,150,554</u>	<u>99,600</u>	<u>3,888</u>	<u>3,684</u>	<u>(204)</u>	<u>120,943</u>	<u>68,066</u>	<u>(52,877)</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	1,050,954	1,150,554	(99,600)	3,888	3,684	204	120,943	68,066	52,877
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>1,050,954</u>	<u>1,150,554</u>	<u>(99,600)</u>	<u>3,888</u>	<u>3,684</u>	<u>204</u>	<u>120,943</u>	<u>68,066</u>	<u>52,877</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
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>	<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, 2003

	WIA Admin Pool (2760)			WIA Adult Program (2761)			WIA Youth Programs (2762)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	377,977	262,733	(115,244)	788,390	652,337	(136,053)	1,422,268	1,560,169	137,901
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	28	28	-	27	27
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>377,977</u>	<u>262,733</u>	<u>(115,244)</u>	<u>788,390</u>	<u>652,365</u>	<u>(136,025)</u>	<u>1,422,268</u>	<u>1,560,196</u>	<u>137,928</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	367,977	254,457	113,520	741,087	652,365	88,722	1,412,268	1,560,196	(147,928)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	10,000	8,276	1,724	47,303	-	47,303	10,000	-	10,000
	<u>377,977</u>	<u>262,733</u>	<u>115,244</u>	<u>788,390</u>	<u>652,365</u>	<u>136,025</u>	<u>1,422,268</u>	<u>1,560,196</u>	<u>(137,928)</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
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>	<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, 2003

	WIA Dislocated Worker Program (2763)			Welfare to Work (2764)			Strategic Planning (2765)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,183	\$ -	(\$ 72,183)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	732,065	511,706	(220,359)	805,943	400,685	(405,258)	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	386	386	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>732,065</u>	<u>512,092</u>	<u>(219,973)</u>	<u>805,943</u>	<u>400,685</u>	<u>(405,258)</u>	<u>72,183</u>	<u>-</u>	<u>(72,183)</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	727,065	512,092	214,973	800,943	400,685	400,258	72,183	-	72,183
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	5,000	-	5,000	5,000	-	5,000	-	-	-
	<u>732,065</u>	<u>512,092</u>	<u>219,973</u>	<u>805,943</u>	<u>400,685</u>	<u>405,258</u>	<u>72,183</u>	<u>-</u>	<u>72,183</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
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>	<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, 2003

	WIA Youth Statewide (2766)			Incumbent Worker Program (2768)			Reed Act Funds (2769)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ 12,689	\$ 12,689	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	12,221	-	(12,221)	75,483	(1,887)	(77,370)	2,224,531	2,329,006	104,475
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>12,221</u>	<u>12,689</u>	<u>468</u>	<u>75,483</u>	<u>(1,887)</u>	<u>(77,370)</u>	<u>2,224,531</u>	<u>2,329,006</u>	<u>104,475</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	12,221	12,689	(468)	75,483	(1,887)	77,370	2,224,531	2,329,006	(104,475)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>12,221</u>	<u>12,689</u>	<u>(468)</u>	<u>75,483</u>	<u>(1,887)</u>	<u>77,370</u>	<u>2,224,531</u>	<u>2,329,006</u>	<u>(104,475)</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
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>	<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, 2003

	WTW Youth Program (2770)			Crime Victims' Rights (2800)			Partnership for Adult Learning (PAL) (2820)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 765,474	\$ 665,835	(\$ 99,639)
Federal	-	-	-	138,187	137,997	(190)	-	-	-
Federal pass-thru	104,719	217,136	112,417	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	800	794	(6)	-	-	-
	<u>104,719</u>	<u>217,136</u>	<u>112,417</u>	<u>138,987</u>	<u>138,791</u>	<u>(196)</u>	<u>765,474</u>	<u>665,835</u>	<u>(99,639)</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	145,962	142,839	3,123	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	104,719	217,136	(112,417)	-	-	-	765,474	665,835	99,639
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>104,719</u>	<u>217,136</u>	<u>(112,417)</u>	<u>145,962</u>	<u>142,839</u>	<u>3,123</u>	<u>765,474</u>	<u>665,835</u>	<u>99,639</u>
Revenues over (under) expenditures	-	-	-	(6,975)	(4,048)	2,927	-	-	-
Other financing sources (uses)									
Transfers in	-	-	-	6,975	4,048	(2,927)	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,975</u>	<u>4,048</u>	<u>(2,927)</u>	<u>-</u>	<u>-</u>	<u>-</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, 2003

	Comp Strategy Implementation Grant (2821)			Juv Accountability Incentive Block Grant (2831)			Community Gun Violence (2832)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ 135,500	\$ 135,146	(\$ 354)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	63,944	56,881	(7,063)	80,000	74,500	(5,500)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	10,300	-	(10,300)	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>145,800</u>	<u>135,146</u>	<u>(10,654)</u>	<u>63,944</u>	<u>56,881</u>	<u>(7,063)</u>	<u>80,000</u>	<u>74,500</u>	<u>(5,500)</u>
Expenditures									
Current operations									
Judicial	-	-	-	71,049	63,275	7,774	100,818	100,959	(141)
General County government	161,314	148,211	13,103	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>161,314</u>	<u>148,211</u>	<u>13,103</u>	<u>71,049</u>	<u>63,275</u>	<u>7,774</u>	<u>100,818</u>	<u>100,959</u>	<u>(141)</u>
Revenues over (under) expenditures	(15,514)	(13,065)	2,449	(7,105)	(6,394)	711	(20,818)	(26,459)	(5,641)
Other financing sources (uses)									
Transfers in	15,514	16,797	1,283	7,105	6,394	(711)	20,818	26,459	5,641
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	15,514	16,797	1,283	7,105	6,394	(711)	20,818	26,459	5,641
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	3,732	3,732	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ 3,732	\$ 3,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2003

	EDC Loan Revolving (2860)			Cherry Hill Loan (2871)			R. Fuchs CDBG Grant (2873)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	10,000	9,855	(145)	900	776	(124)	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	96,378	96,378	-	-	-	-	-	-
	<u>10,000</u>	<u>106,233</u>	<u>96,233</u>	<u>900</u>	<u>776</u>	<u>(124)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	79,417	53,956	25,461	258	117	141	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>79,417</u>	<u>53,956</u>	<u>25,461</u>	<u>258</u>	<u>117</u>	<u>141</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	(69,417)	52,277	121,694	642	659	17	-	-	-
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	(5,174)	(5,174)	-	-	-	-	-	-	-
Total other financing sources (uses)	(5,174)	(5,174)	-	-	-	-	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(74,591)	47,103	121,694	642	659	17	-	-	-
Fund balance at beginning of year	345,581	345,581	-	41,005	41,005	-	3,549	3,549	-
Fund balance at end of year	\$ 270,990	\$ 392,684	\$ 121,694	\$ 41,647	\$ 41,664	\$ 17	\$ 3,549	\$ 3,549	\$ -

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, 2003

	Link Michigan Study Project (2880)			Remonumentation Program (2890)			Social Welfare (2910)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ 75,588	\$ 67,673	(\$ 7,915)	\$ 1,100,000	\$ 986,934	(\$ 113,066)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	100,000	100,000	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	40,000	-	(40,000)	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	65,000	65,777	777
	<u>140,000</u>	<u>100,000</u>	<u>(40,000)</u>	<u>75,588</u>	<u>67,673</u>	<u>(7,915)</u>	<u>1,165,000</u>	<u>1,052,711</u>	<u>(112,289)</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	145,000	105,000	40,000	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	1,176,032	1,062,760	113,272
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	83,588	75,673	7,915	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>145,000</u>	<u>105,000</u>	<u>40,000</u>	<u>83,588</u>	<u>75,673</u>	<u>7,915</u>	<u>1,176,032</u>	<u>1,062,760</u>	<u>113,272</u>
Revenues over (under) expenditures	(5,000)	(5,000)	-	(8,000)	(8,000)	-	(11,032)	(10,049)	983
Other financing sources (uses)									
Transfers in	5,000	5,000	-	8,000	8,000	-	11,032	10,049	(983)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>11,032</u>	<u>10,049</u>	<u>(983)</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, 2003

	Child Care Facility (2920)			Veterans Trust (2940)			Muskegon County Economic Development Commission (2960)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ 2,198,907	\$ 2,226,314	\$ 27,407	\$ 36,000	\$ 23,416	(\$ 12,584)	\$ -	\$ -	\$ -
Federal	26,800	27,047	247	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	105,500	81,100	(24,400)	-	-	-	-	-	-
	<u>2,331,207</u>	<u>2,334,461</u>	<u>3,254</u>	<u>36,000</u>	<u>23,416</u>	<u>(12,584)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	2,500	597	1,903
Public safety	-	-	-	-	-	-	-	-	-
Health	5,322,304	5,299,411	22,893	-	-	-	-	-	-
Welfare	-	-	-	36,000	23,416	12,584	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>5,322,304</u>	<u>5,299,411</u>	<u>22,893</u>	<u>36,000</u>	<u>23,416</u>	<u>12,584</u>	<u>2,500</u>	<u>597</u>	<u>1,903</u>
Revenues over (under) expenditures	(2,991,097)	(2,964,950)	26,147	-	-	-	(2,500)	(597)	1,903
Other financing sources (uses)									
Transfers in	2,991,097	2,964,950	(26,147)	-	-	-	2,500	597	(1,903)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,991,097</u>	<u>2,964,950</u>	<u>(26,147)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>597</u>	<u>(1,903)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2003**

	Mental Health Buildings (2970)			Victim Restitution (2980)			Convention Center Debt (3100)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	14,000	15,493	1,493	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	12,000	8,289	(3,711)	650	578	(72)	4,460	2,813	(1,647)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	242,508	242,508	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	87,728	47,928	(39,800)	-	-	-	-	-	-
	<u>342,236</u>	<u>298,725</u>	<u>(43,511)</u>	<u>14,650</u>	<u>16,071</u>	<u>1,421</u>	<u>4,460</u>	<u>2,813</u>	<u>(1,647)</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	6,000	5,211	789	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	348,096	301,013	47,083	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	621	700	(79)
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	250,000	250,000	-
Interest	-	-	-	-	-	-	11,625	11,625	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	51,800	-	51,800	-	-	-	-	-	-
	<u>399,896</u>	<u>301,013</u>	<u>98,883</u>	<u>6,000</u>	<u>5,211</u>	<u>789</u>	<u>262,246</u>	<u>262,325</u>	<u>(79)</u>
Revenues over (under) expenditures	(57,660)	(2,288)	55,372	8,650	10,860	2,210	(257,786)	(259,512)	(1,726)
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	62,617	64,343	1,726
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	62,617	64,343	1,726
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(57,660)	(2,288)	55,372	8,650	10,860	2,210	(195,169)	(195,169)	-
Fund balance at beginning of year	118,947	118,947	-	27,217	27,217	-	195,169	195,169	-
Fund balance at end of year	\$ 61,287	\$ 116,659	\$ 55,372	\$ 35,867	\$ 38,077	\$ 2,210	\$ -	\$ -	\$ -

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, 2003**

	Quality of Life (3110)/(3111)			Hall of Justice Debt (3130)			Psychiatric Facility Debt (3141)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	23,850	24,024	174	313	133	(180)	1,300	1,362	62
Taxes	1,321,627	1,399,789	78,162	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	219,919	219,919	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,345,477</u>	<u>1,423,813</u>	<u>78,336</u>	<u>313</u>	<u>133</u>	<u>(180)</u>	<u>221,219</u>	<u>221,281</u>	<u>62</u>
Expenditures									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	313	250	63	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	521	521	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	696	71	625	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	550,000	550,000	-	180,000	180,000	-	220,000	220,000	-
Interest	692,137	692,137	-	312,829	312,829	-	23,450	23,450	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>1,242,833</u>	<u>1,242,208</u>	<u>625</u>	<u>493,142</u>	<u>493,079</u>	<u>63</u>	<u>243,971</u>	<u>243,971</u>	<u>-</u>
Revenues over (under) expenditures	102,644	181,605	78,961	(492,829)	(492,946)	(117)	(22,752)	(22,690)	62
Other financing sources (uses)									
Transfers in	-	-	-	492,829	492,946	117	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	492,829	492,946	117	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	102,644	181,605	78,961	-	-	-	(22,752)	(22,690)	62
Fund balance at beginning of year	640,470	640,470	-	-	-	-	76,336	76,336	-
Fund balance at end of year	\$ 743,114	\$ 822,075	\$ 78,961	\$ -	\$ -	\$ -	\$ 53,584	\$ 53,646	\$ 62

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, 2003****Halmond Center Debt****(3142)/(3143)**

	Budget	Actual	Variance
Revenues			
Grants			
State	\$ -	\$ -	\$ -
Federal	-	-	-
Federal pass-thru	-	-	-
Local units	-	-	-
Charges for services rendered	-	-	-
Contributions from private sources	-	-	-
Fines and forfeitures	-	-	-
Investment income	1,950	1,876	(74)
Taxes	-	-	-
Rentals	87,097	87,097	-
Special assessments	-	-	-
Other	-	-	-
	<u>89,047</u>	<u>88,973</u>	<u>(74)</u>
Expenditures			
Current operations			
Judicial	-	-	-
General County government	-	-	-
Public safety	-	-	-
Health	1,271	1,271	-
Welfare	-	-	-
Culture	-	-	-
Recreation	-	-	-
Debt Services			
Principal	130,000	130,000	-
Interest	54,454	54,454	-
Other	-	-	-
Capital outlay	-	-	-
	<u>185,725</u>	<u>185,725</u>	<u>-</u>
Revenues over (under) expenditures	(96,678)	(96,752)	(74)
Other financing sources (uses)			
Transfers in	-	-	-
Sale of Assets	-	-	-
Bond Proceeds	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(96,678)	(96,752)	(74)
Fund balance at beginning of year	<u>97,913</u>	<u>97,913</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,235</u>	<u>\$ 1,161</u>	<u>(\$ 74)</u>

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, 2003

	Water and Sewer Debt - 3650			
	Original Budget	Final Budget	Actual	Difference (+/-)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Operating grants and contributions	-	-	-	-
Charges for services	11,000	10,726	10,729	3
Fines and forfeitures	-	-	-	-
Investment income	94,353	17,300	15,719	(1,581)
Rentals	-	-	-	-
Special assessments	775,000	775,000	800,000	25,000
Contributions from private sources	-	-	-	-
Other	1,840	1,699	1,250	(449)
Total revenues	882,193	804,725	827,698	22,973
Expenditures				
Current operations				
Legislative	-	-	-	-
Judicial	-	-	-	-
General County government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture	-	-	-	-
Recreation	-	-	-	-
Other	7,982	6,795	5,016	1,779
Capital outlay	100,000	-	-	-
Debt service				
Principal payments	810,000	810,000	810,000	-
Interest	35,750	35,750	35,750	-
Other	-	724	-	724
Total expenditures	953,732	853,269	850,766	2,503
Revenues over (under) expenditures	(71,539)	(48,544)	(23,068)	25,476
Other financing sources (uses)				
Sales of Fixed Assets	-	-	-	-
Transfers in	70,750	70,750	70,750	-
Transfers (out)	600,300	-	-	-
	671,050	70,750	70,750	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	599,511	22,206	47,682	25,476
Fund balance at beginning of year	788,691	788,691	788,691	-
Fund balance at end of year	\$ 1,388,202	\$ 810,897	\$ 836,373	\$ 25,476

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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, 5162, 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, 2003

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5160)	Delinquent Tax Revolving (5161)	Delinquent Tax Revolving (5162)	Delinquent Tax Revolving (5169)
ASSETS					
CURRENT ASSETS					
Cash and cash investments	\$ 1,022,051	\$ -	\$ 6,084,924	\$ 3,491,502	\$ -
Accounts receivable	18,600	-	8,972	-	-
Intergovernmental receivable	-	-	-	-	-
Accrued interest receivable	4,354	-	49,480	6,087	-
Current portion of delinquent taxes receivable	-	-	1,184,442	2,691,450	-
Current portion of interest and penalties receivable on delinquent taxes	-	-	552,740	1,031,723	-
Prepaid expenses	128,920	-	-	-	-
Inventories	-	-	-	-	-
Restricted assets	-	-	-	-	-
Total current assets	1,173,925	-	7,880,558	7,220,762	-
NONCURRENT ASSETS					
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	2,626,085	-	-	-	-
Less accumulated depreciation	(876,896)	-	-	-	-
Property and Equipment - net	1,749,189	-	-	-	-
DELINQUENT TAXES RECEIVABLE	-	-	394,814	3,289,550	-
INTEREST AND PENALTIES RECEIVABLE ON DELINQUENT TAXES	-	-	-	343,907	-
TOTAL ASSETS	\$ 2,923,114	\$ -	\$ 8,275,372	\$ 10,854,219	\$ -

County of Muskegon

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

September 30, 2003

		2000	2001	2002	1999
	Fairgrounds	Delinquent	Delinquent	Delinquent	Delinquent
	Operation	Tax	Tax	Tax	Tax
	(5083)	Revolving	Revolving	Revolving	Revolving
		(5160)	(5161)	(5162)	(5169)
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 4,605	\$ -	\$ -	\$ -	\$ -
Advances payable	-	-	-	-	-
Accrued liabilities	30,084	-	18,167	51,000	-
Current portion of long term debt	170,000	-	1,500,000	7,500,000	-
Total current liabilities	204,689	-	1,518,167	7,551,000	-
NONCURRENT LIABILITIES					
Tax anticipation notes payable	-	-	-	1,500,000	-
Long term debt	995,000	-	-	-	-
Total noncurrent liabilities	995,000	-	-	1,500,000	-
TOTAL LIABILITIES	1,199,689	-	1,518,167	9,051,000	-
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	584,189	-	-	-	-
Unreserved	1,139,236	-	6,757,205	1,803,219	-
TOTAL NET ASSETS	\$ 1,723,425	\$ -	\$ 6,757,205	\$ 1,803,219	\$ -

County of Muskegon

Other Non-Major Proprietary Funds

Combining Statement of Net Assets

September 30, 2003

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Northside Water (5910)	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash investments	\$ 1,618,986	\$ 124,264	\$ 1,467,353	\$ 13,809,080
Accounts receivable	-	6,437	16,538	50,547
Intergovernmental receivable	-	517,412	490,184	1,007,596
Accrued interest receivable	9,330	1	7,151	76,403
Current portion of delinquent taxes receivable	-	-	-	3,875,892
Current portion of interest and penalties receivable on delinquent taxes	-	-	-	1,584,463
Prepaid expenses	-	-	-	128,920
Inventories	516	-	-	516
Restricted assets	120,087	-	-	120,087
Total current assets	1,748,919	648,114	1,981,226	20,653,504
NONCURRENT ASSETS				
Property and Equipment - at cost				
Land	-	199,487	-	199,487
Land improvements	1,521	-	-	677,612
Buildings	213,369	5,799,390	-	7,870,712
Machinery and equipment	75,494	5,188,034	-	5,355,569
Construction in progress	-	-	-	-
Total Property and Equipment	290,384	11,186,911	-	14,103,380
Less accumulated depreciation	(118,542)	(3,955,881)	-	(4,951,319)
Property and Equipment - net	171,842	7,231,030	-	9,152,061
DELINQUENT TAXES RECEIVABLE	-	-	-	3,684,364
INTEREST AND PENALTIES RECEIVABLE				
ON DELINQUENT TAXES	-	-	-	343,907
TOTAL ASSETS	\$ 1,920,761	\$ 7,879,144	\$ 1,981,226	\$ 33,833,836

County of Muskegon

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

September 30, 2003

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Northside Water (5910)	Totals
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 2,707	\$ 42,259	\$ 4,525	\$ 54,096
Advances payable	-	52,545	-	52,545
Accrued liabilities	10,438	170,595	1,158	281,442
Current portion of long term debt	-	-	-	9,170,000
Total current liabilities	<u>13,145</u>	<u>265,399</u>	<u>5,683</u>	<u>9,558,083</u>
NONCURRENT LIABILITIES				
Tax anticipation notes payable	-	-	-	1,500,000
Long term debt	-	-	-	995,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,495,000</u>
TOTAL LIABILITIES	<u>13,145</u>	<u>265,399</u>	<u>5,683</u>	<u>12,053,083</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	171,842	7,231,030	-	7,987,061
Unreserved	<u>1,735,774</u>	<u>382,715</u>	<u>1,975,543</u>	<u>13,793,692</u>
TOTAL NET ASSETS	<u><u>\$ 1,907,616</u></u>	<u><u>\$ 7,613,745</u></u>	<u><u>\$ 1,975,543</u></u>	<u><u>\$ 21,780,753</u></u>

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, 2003

	Fairgrounds Operation (5083)	2000 Delinquent Tax Revolving (5160)	2001 Delinquent Tax Revolving (5161)	2002 Delinquent Tax Revolving (5162)	1999 Delinquent Tax Revolving (5169)
Operating revenues					
Charges for services	\$ 133,920	\$ -	\$ -	\$ -	\$ -
Interest and penalties on delinquent taxes	-	-	864,823	1,852,895	-
Other	32,612	-	-	-	-
	<u>166,532</u>	<u>-</u>	<u>864,823</u>	<u>1,852,895</u>	<u>-</u>
Operating expenses					
Salaries and fringe benefits	17,640	-	-	-	-
Supplies and other operating expenses	64,496	-	424	18,013	-
Interest expense	-	-	187,958	39,980	-
Depreciation and amortization	64,066	-	-	-	-
	<u>146,202</u>	<u>-</u>	<u>188,382</u>	<u>57,993</u>	<u>-</u>
Operating income (loss)	20,330	-	676,441	1,794,902	-
Non-Operating revenues (expenses)					
Operating subsidies	-	-	-	-	-
Interest income	16,107	-	179,827	8,542	-
Interest expense	(96,962)	-	-	-	-
Other (net)	(450)	-	(425)	(225)	-
	<u>(81,305)</u>	<u>-</u>	<u>179,402</u>	<u>8,317</u>	<u>-</u>
Income (loss) before contributions and transfers	(60,975)	-	855,843	1,803,219	-
Capital contributions	-	-	-	-	-
Transfers in	235,975	-	7,087,289	-	-
Transfers (out)	-	(1,237,768)	(2,242,708)	-	(5,849,521)
	<u>235,975</u>	<u>(1,237,768)</u>	<u>4,844,581</u>	<u>-</u>	<u>(5,849,521)</u>
NET INCOME (LOSS)	175,000	(1,237,768)	5,700,424	1,803,219	(5,849,521)
Net Assets at beginning of year	1,548,425	1,237,768	1,056,781	-	5,849,521
Net Assets at end of year	\$ 1,723,425	\$ -	\$ 6,757,205	\$ 1,803,219	\$ -

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, 2003

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Northside Water (5910)	Totals
Operating revenues				
Charges for services	\$ 29,601	\$ 254,822	\$ 559,006	\$ 977,349
Interest and penalties on delinquent taxes	-	-	-	2,717,718
Other	-	240	8,200	41,052
	<u>29,601</u>	<u>255,062</u>	<u>567,206</u>	<u>3,736,119</u>
Operating expenses				
Salaries and fringe benefits	190,439	1,601,794	31,035	1,840,908
Supplies and other operating expenses	95,209	1,044,600	345,776	1,568,518
Interest expense	-	-	-	227,938
Depreciation and amortization	14,959	713,339	-	792,364
	<u>300,607</u>	<u>3,359,733</u>	<u>376,811</u>	<u>4,429,728</u>
Operating income (loss)	(271,006)	(3,104,671)	190,395	(693,609)
Non-Operating revenues (expenses)				
Operating subsidies	-	2,375,327	-	2,375,327
Interest income	34,704	-	68,912	308,092
Interest expense	-	-	-	(96,962)
Other (net)	(16,782)	614	-	(17,268)
	<u>17,922</u>	<u>2,375,941</u>	<u>68,912</u>	<u>2,569,189</u>
Income (loss) before contributions and transfers	<u>(253,084)</u>	<u>(728,730)</u>	<u>259,307</u>	<u>1,875,580</u>
Capital contributions	-	381,555	-	381,555
Transfers in	-	-	42,942	7,366,206
Transfers (out)	-	-	(70,750)	(9,400,747)
	<u>-</u>	<u>381,555</u>	<u>(27,808)</u>	<u>(1,652,986)</u>
NET INCOME (LOSS)	(253,084)	(347,175)	231,499	222,594
Net Assets at beginning of year	2,160,700	7,960,920	1,744,044	21,558,159
Net Assets at end of year	<u>\$ 1,907,616</u>	<u>\$ 7,613,745</u>	<u>\$ 1,975,543</u>	<u>\$ 21,780,753</u>

County of Muskegon

Other Non-Major Proprietary Funds

COMBINING STATEMENT OF CASH FLOWS

For the Year ending September 30, 2003

	Fairgrounds Operations (5083)	2000 Delinquent Tax Revolving (5160)	2001 Delinquent Tax Revolving (5161)	2002 Delinquent Tax Revolving (5162)	1999 Delinquent Tax Revolving (5169)
CASH FLOW FROM OPERATING ACTIVITIES					
Cash Received from Customers/Other Funds	\$ 153,140	\$ 6,373	\$ 855,851	\$ 1,852,895	\$ 6,457
Cash Payments to Suppliers of Goods and Services	(44,527)	-	(424)	(18,013)	-
Cash Payments to Employees for Services	(17,340)	-	-	-	-
Interest paid	-	(36,833)	(257,041)	11,020	-
Other receipts (payments)	32,612	-	-	-	(364,280)
Net cash provided by (used for) Operating Activities	123,885	(30,460)	598,386	1,845,902	(357,823)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES					
Tax collections	-	1,920,746	4,894,453	6,622,248	329,705
Delinquent tax payments to municipalities	-	-	-	(13,978,878)	-
Note payments	-	(2,500,000)	(7,500,000)	-	-
Note proceeds	-	-	-	9,000,000	-
Operating Subsidies from Grants	-	-	-	-	-
Transfers to other funds	-	(1,237,768)	(2,242,708)	-	(5,849,521)
Transfers from other funds	235,975	-	7,087,289	-	-
Advances from (to) other funds	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	235,975	(1,817,022)	2,239,034	1,643,370	(5,519,816)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on long term debt	(175,000)	-	-	-	-
Interest payments on long term debt	(101,714)	-	-	-	-
Purchase of fixed assets	-	-	-	-	-
Construction in progress	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
Capital contributions and grants	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(276,714)	-	-	-	-

County of Muskegon

Other Non-Major Proprietary Funds

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

For the Year ending September 30, 2003

	Fairgrounds Operations (5083)	2000 Delinquent Tax Revolving (5160)	2001 Delinquent Tax Revolving (5161)	2002 Delinquent Tax Revolving (5162)	1999 Delinquent Tax Revolving (5169)
CASH FLOW FROM INVESTING ACTIVITIES					
Interest received from investment pool	15,300	12,028	134,350	2,230	30,187
Net cash provided by investing activities	15,300	12,028	134,350	2,230	30,187
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	98,446	(1,835,454)	2,971,770	3,491,502	(5,847,452)
Cash and cash equivalents, September 30, 2002	923,605	1,835,454	3,113,154	-	5,847,452
Cash and cash equivalents, September 30, 2003	<u>\$ 1,022,051</u>	<u>\$ -</u>	<u>\$ 6,084,924</u>	<u>\$ 3,491,502</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	<u>\$ 20,330</u>	<u>\$ -</u>	<u>\$ 676,441</u>	<u>\$ 1,794,902</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	19,219	6,373	(8,972)	-	6,457
Decrease in intergovernmental receivable	-	-	-	-	-
Increase (decrease) in deferred revenue	-	-	-	-	-
Increase (decrease) in accounts payable	386	-	-	-	-
(Increase) decrease in prepaid expenses	19,584	-	-	-	-
(Increase) decrease in restricted assets	-	-	-	-	-
Increase (decrease) in due to other funds	-	-	-	-	-
Increase (decrease) in accruals	300	(36,833)	(69,083)	51,000	(364,280)
Total Adjustments	<u>103,555</u>	<u>(30,460)</u>	<u>(78,055)</u>	<u>51,000</u>	<u>(357,823)</u>
Net cash provided by (used for) operations	<u>\$ 123,885</u>	<u>(\$ 30,460)</u>	<u>\$ 598,386</u>	<u>\$ 1,845,902</u>	<u>(\$ 357,823)</u>

Other Non-Major Proprietary Funds
COMBINING STATEMENT OF CASH FLOWS
For the Year ending September 30, 2003

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Northside Water (5910)	2003
CASH FLOW FROM OPERATING ACTIVITIES				
Cash Received from Customers/Other Funds	\$ 29,601	(\$ 1,723,145)	\$ 709,016	\$ 1,890,188
Cash Payments to Suppliers of Goods and Services	(95,463)	(1,163,603)	(370,591)	(1,692,621)
Cash Payments to Employees for Services	(188,337)	(1,566,522)	(30,761)	(1,802,960)
Interest paid	-	-	-	(282,854)
Other receipts (payments)	-	-	8,200	(323,468)
Net cash provided by (used for) Operating Activities	<u>(254,199)</u>	<u>(4,453,270)</u>	<u>315,864</u>	<u>(2,211,715)</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Tax collections	-	-	-	13,767,152
Delinquent tax payments to municipalities	-	-	-	(13,978,878)
Note payments	-	-	-	(10,000,000)
Note proceeds	-	-	-	9,000,000
Operating Subsidies from Grants	-	4,548,069	-	4,548,069
Transfers to other funds	-	-	(70,750)	(9,400,747)
Transfers from other funds	-	-	42,942	7,366,206
Advances from (to) other funds	-	23,563	-	23,563
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>4,571,632</u>	<u>(27,808)</u>	<u>1,325,365</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments on long term debt	-	-	-	(175,000)
Interest payments on long term debt	-	-	-	(101,714)
Purchase of fixed assets	-	(376,277)	-	(376,277)
Construction in progress	-	-	-	-
Sale of fixed assets	-	614	-	614
Capital contributions and grants	-	381,555	-	381,555
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>5,892</u>	<u>-</u>	<u>(270,822)</u>

County of Muskegon

Other Non-Major Proprietary Funds

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

For the Year ending September 30, 2003

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Northside Water (5910)	2003
CASH FLOW FROM INVESTING ACTIVITIES				
Interest received from investment pool	35,187	10	66,445	295,737
Net cash provided by investing activities	35,187	10	66,445	295,737
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(219,012)	124,264	354,501	(861,435)
Cash and cash equivalents, September 30, 2002	1,837,998	-	1,112,852	14,670,515
Cash and cash equivalents, September 30, 2003	<u>\$ 1,618,986</u>	<u>\$ 124,264</u>	<u>\$ 1,467,353</u>	<u>\$ 13,809,080</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	<u>(\$ 271,006)</u>	<u>(\$ 3,104,671)</u>	<u>\$ 190,395</u>	<u>(\$ 693,609)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	14,959	713,339	-	792,364
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	-	(754)	150,010	172,333
Decrease in intergovernmental receivable	29,601	-	-	29,601
Increase (decrease) in deferred revenue	(29,601)	-	-	(29,601)
Increase (decrease) in accounts payable	(1,971)	(119,004)	(24,815)	(145,404)
(Increase) decrease in prepaid expenses	-	-	-	19,584
(Increase) decrease in restricted assets	1,717	-	-	1,717
Increase (decrease) in due to other funds	-	(1,977,452)	-	(1,977,452)
Increase (decrease) in accruals	2,102	35,272	274	(381,248)
Total Adjustments	<u>16,807</u>	<u>(1,348,599)</u>	<u>125,469</u>	<u>(1,518,106)</u>
Net cash provided by (used for) operations	<u>(\$ 254,199)</u>	<u>(\$ 4,453,270)</u>	<u>\$ 315,864</u>	<u>(\$ 2,211,715)</u>

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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, 2003

ASSETS	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
CURRENT ASSETS						
Cash and cash equivalents	\$ 312,334	\$ 77,855	\$ 82,110	\$ 8,297,522	\$ 2,272,831	\$ 11,042,652
Accounts receivable	4,347	-	57	1,418	188,000	193,822
Accrued interest receivable	1,302	-	673	38,196	13,335	53,506
Total current assets	317,983	77,855	82,840	8,337,136	2,474,166	11,289,980
NONCURRENT ASSETS						
Long-term note receivable	-	-	-	200,000	-	200,000
Long-term advance to other funds	-	-	-	1,282,822	-	1,282,822
Property and Equipment - at cost						
Land	-	-	444,908	-	-	444,908
Buildings	-	-	1,573,011	-	-	1,573,011
Machinery and equipment	-	-	8,491,665	-	-	8,491,665
Total Property and Equipment	-	-	10,509,584	-	-	10,509,584
Less accumulated depreciation	-	-	(6,028,223)	-	-	(6,028,223)
Total Property and Equipment - net	-	-	4,481,361	-	-	4,481,361
TOTAL ASSETS	\$ 317,983	\$ 77,855	\$ 4,564,201	\$ 9,819,958	\$ 2,474,166	\$ 17,254,163

County of Muskegon

***Internal Service Funds
Combining Balance Sheet***

September 30, 2003

LIABILITIES AND NET ASSETS	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
CURRENT LIABILITIES						
Accounts payable	\$ 14,426	\$ 75,405	\$ 57,022	\$ 264,684	\$ -	\$ 411,537
Accrued liabilities	2,937	2,450	188,000	3,875,471	-	4,068,858
Total current liabilities	17,363	77,855	245,022	4,140,155	-	4,480,395
NONCURRENT LIABILITIES						
Land Contract Payable	-	-	171,116	-	-	171,116
Long-term advances from other funds	-	-	702,069	-	-	702,069
Total noncurrent liabilities	-	-	873,185	-	-	873,185
TOTAL LIABILITIES	17,363	77,855	1,118,207	4,140,155	-	5,353,580
NET ASSETS						
Invested in capital assets - net of related debt	-	-	3,445,994	-	-	3,445,994
Unreserved	300,620	-	-	5,679,803	2,474,166	8,454,589
TOTAL NET ASSETS	\$ 300,620	\$ -	\$ 3,445,994	\$ 5,679,803	\$ 2,474,166	\$ 11,900,583

County of Muskegon

Internal Service Funds

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

September 30, 2003

	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
Operating revenues						
Intergovernmental revenues	\$ -	\$ 762,261	\$ 1,492,025	\$ 11,380,891	\$ -	\$ 13,635,177
Other	553,984	-	729,196	1,372,030	-	2,655,210
	<u>553,984</u>	<u>762,261</u>	<u>2,221,221</u>	<u>12,752,921</u>	<u>-</u>	<u>16,290,387</u>
Operating expenses						
Salaries and fringes	21,799	151,447	-	1,452,705	-	1,625,951
Supplies and other operating expenses	499,130	598,452	962,059	1,611,375	-	3,671,016
Insurance benefits and claims	-	-	-	1,277,289	-	1,277,289
Insurance premiums	-	12,362	535	7,565,034	-	7,577,931
Interest expense	-	-	24,487	-	-	24,487
Depreciation	-	-	1,134,479	-	-	1,134,479
	<u>520,929</u>	<u>762,261</u>	<u>2,121,560</u>	<u>11,906,403</u>	<u>-</u>	<u>15,311,153</u>
Operating income (loss)	33,055	-	99,661	846,518	-	979,234
Non-Operating revenues (expenses)						
Investment income	4,407	-	1,324	146,339	45,992	198,062
Income (loss) before transfers	<u>37,462</u>	<u>-</u>	<u>100,985</u>	<u>992,857</u>	<u>45,992</u>	<u>1,177,296</u>
Transfers (in)	-	-	116,685	-	-	116,685
Transfers (out)	-	-	(368,595)	-	-	(368,595)
	<u>-</u>	<u>-</u>	<u>(251,910)</u>	<u>-</u>	<u>-</u>	<u>(251,910)</u>
NET INCOME (LOSS)	37,462	-	(150,925)	992,857	45,992	925,386
Net Assets at beginning of year	263,158	-	3,596,919	4,686,946	2,428,174	10,975,197
Net Assets at end of year	\$ 300,620	\$ -	\$ 3,445,994	\$ 5,679,803	\$ 2,474,166	\$ 11,900,583

County of Muskegon

Governmental Activities Internal Service Funds

Statement of Cash Flows

For the Year ending September 30, 2003

	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers/Other Funds	\$ 552,513	\$ 762,261	\$ 2,222,409	\$ 12,992,231	\$ -	\$ 16,529,414
Cash Payments to Suppliers of Goods and Services	(493,715)	(579,219)	(816,821)	(10,777,727)	(188,000)	(12,855,482)
Cash Payments to Employees for Services	(18,964)	(152,137)	-	(1,452,705)	-	(1,623,806)
Net cash provided by (used for) Operating Activities	<u>39,834</u>	<u>30,905</u>	<u>1,405,588</u>	<u>761,799</u>	<u>(188,000)</u>	<u>2,050,126</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances to other funds	(30,000)	-	(29,102)	-	-	(59,102)
Transfers in	-	-	116,685	-	-	116,685
Transfers out	-	-	(368,595)	-	-	(368,595)
Net cash provided by (used for) noncapital financing activities	<u>(30,000)</u>	<u>-</u>	<u>(281,012)</u>	<u>-</u>	<u>-</u>	<u>(311,012)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal payments on long term debt	-	-	(21,755)	-	-	(21,755)
Principal received on long term advances	-	-	-	70,871	-	70,871
Sales of Assets	-	-	-	-	-	-
Purchase of fixed assets	-	-	(1,109,711)	-	-	(1,109,711)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,131,466)</u>	<u>70,871</u>	<u>-</u>	<u>(1,060,595)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received from investment pool	<u>4,177</u>	<u>-</u>	<u>3,755</u>	<u>144,184</u>	<u>44,761</u>	<u>196,877</u>
Net cash provided by investing activities	<u>4,177</u>	<u>-</u>	<u>3,755</u>	<u>144,184</u>	<u>44,761</u>	<u>196,877</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,011	30,905	(3,135)	976,854	(143,239)	875,396
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>
Cash and cash equivalents, September 30, 2003	<u>\$ 312,334</u>	<u>\$ 77,855</u>	<u>\$ 82,110</u>	<u>\$ 8,297,522</u>	<u>\$ 2,272,831</u>	<u>\$ 11,042,652</u>

This Statement covers more than one page.

County of Muskegon

Governmental Activities Internal Service Funds

Statement of Cash Flows - continued

For the Year ending September 30, 2003

	Central Stores (6330)	South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	<u>\$ 33,055</u>	<u>\$ -</u>	<u>\$ 99,661</u>	<u>\$ 846,518</u>	<u>\$ -</u>	<u>\$ 979,234</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	-	-	1,134,479	-	-	1,134,479
Loss (Gain) on sale of fixed assets	-	-	-	-	-	-
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	(1,471)	-	1,188	113	-	(170)
Increase (decrease) in accounts payable	5,415	31,595	170,260	132,316	-	339,586
Increase (decrease) in accrued liabilities	<u>2,835</u>	<u>(690)</u>	<u>-</u>	<u>(217,148)</u>	<u>(188,000)</u>	<u>(403,003)</u>
Total Adjustments	<u>6,779</u>	<u>30,905</u>	<u>1,305,927</u>	<u>(84,719)</u>	<u>(188,000)</u>	<u>1,070,892</u>
Net cash provided by (used for) operations	<u><u>\$ 39,834</u></u>	<u><u>\$ 30,905</u></u>	<u><u>\$ 1,405,588</u></u>	<u><u>\$ 761,799</u></u>	<u><u>(\$ 188,000)</u></u>	<u><u>\$ 2,050,126</u></u>

This Statement covers more than one page.

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, 2003

	Agency Funds					
	Agency (7010)	Library Penal Fines (7210)	Central Dispatch (7708)	Labor Management Program (7910)	Muskegon Veterans Affairs (7940)	Orchard View (7982)
						Totals
ASSETS						
Cash and cash investments	\$ 10,266,133	\$ 179,594	\$ 1,393,725	\$ 63,909	\$ 2,491	\$ 31,344
Accounts receivable	1,126,410	-	107,548	-	-	-
Intergovernmental receivable	-	-	-	-	-	-
Accrued interest receivable	-	2,014	5,545	302	208	170
	<u>\$ 11,392,543</u>	<u>\$ 181,608</u>	<u>\$ 1,506,818</u>	<u>\$ 64,211</u>	<u>\$ 2,699</u>	<u>\$ 31,514</u>
						<u>\$ 13,179,393</u>
LIABILITIES						
Accounts payable	\$ 875	\$ -	\$ 24,310	\$ 675	\$ 693	\$ -
Intergovernmental payable	797,908	-	-	-	-	-
Undistributed current and delinquent taxes	8,158,937	-	-	-	-	-
Trust deposits	2,205,411	-	-	-	-	-
Accrued liabilities	-	-	36,165	631	-	-
Unallocated receipts	203,299	181,608	1,446,343	62,905	2,006	31,514
Fines and Fees due to local municipalities and libraries	26,113	-	-	-	-	-
	<u>\$ 11,392,543</u>	<u>\$ 181,608</u>	<u>\$ 1,506,818</u>	<u>\$ 64,211</u>	<u>\$ 2,699</u>	<u>\$ 31,514</u>
						<u>\$ 13,179,393</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES

For the Year ended September 30, 2003

	Balance Oct. 1, 2002	Additions	Deductions	Balance Sept. 30, 2003
Trust and Agency (7010)				
ASSETS				
Cash and cash investments	\$ 1,341,100	\$ 105,836,406	\$ 96,911,373	\$ 10,266,133
Accounts receivable	541,135	1,782,400	1,197,125	1,126,410
	<u>\$ 1,882,235</u>	<u>\$ 107,618,806</u>	<u>\$ 98,108,498</u>	<u>\$ 11,392,543</u>
LIABILITIES				
Accounts payable	\$ 19,400	\$ 58,644,667	\$ 58,663,192	\$ 875
Intergovernmental payable	749,911	10,694,139	10,646,142	797,908
Undistributed current and delinquent taxes	582,523	71,151,884	63,575,470	8,158,937
Fines and fees due to local municipalities and libraries	24,852	322,591	321,330	26,113
Trust deposits	442,290	25,468,891	23,705,770	2,205,411
Unallocated receipts	63,259	9,272,787	9,132,747	203,299
	<u>\$ 1,882,235</u>	<u>\$ 175,554,959</u>	<u>\$ 166,044,651</u>	<u>\$ 11,392,543</u>
Library Penal Fines (7210)				
ASSETS				
Cash and cash investments	\$ 169,620	\$ 645,579	\$ 635,605	\$ 179,594
Accrued interest receivable	1,793	6,738	6,517	2,014
	<u>\$ 171,413</u>	<u>\$ 652,317</u>	<u>\$ 642,122</u>	<u>\$ 181,608</u>
LIABILITIES				
Unallocated receipts	\$ 171,413	\$ 856,316	\$ 846,121	\$ 181,608
	<u>\$ 171,413</u>	<u>\$ 856,316</u>	<u>\$ 846,121</u>	<u>\$ 181,608</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2003

	Balance Oct. 1, 2002	Additions	Deductions	Balance Sept. 30, 2003
Central Dispatch (7708)				
ASSETS				
Cash and cash investments	\$ 430,914	\$ 3,420,599	\$ 2,457,788	\$ 1,393,725
Accounts receivable	233,976	1,271,408	1,397,836	107,548
Accrued interest receivable	1,449	15,177	11,081	5,545
	<u>\$ 666,339</u>	<u>\$ 4,707,184</u>	<u>\$ 3,866,705</u>	<u>\$ 1,506,818</u>
LIABILITIES				
Accounts payable	\$ 16,639	\$ 1,147,270	\$ 1,139,599	\$ 24,310
Accrued liabilities	29,107	41,809	34,751	36,165
Unallocated receipts	620,593	3,051,065	2,225,315	1,446,343
	<u>\$ 666,339</u>	<u>\$ 4,240,144</u>	<u>\$ 3,399,665</u>	<u>\$ 1,506,818</u>
Labor Management Program (7910)				
ASSETS				
Cash and cash investments	\$ 69,851	\$ 74,427	\$ 80,369	\$ 63,909
Accrued interest receivable	293	1,091	1,082	302
	<u>\$ 70,144</u>	<u>\$ 75,518</u>	<u>\$ 81,451</u>	<u>\$ 64,211</u>
Accounts payable	\$ 782	\$ 52,269	\$ 52,376	\$ 675
Accrued liabilities	569	631	569	631
Unallocated receipts	68,793	74,436	80,324	62,905
	<u>\$ 70,144</u>	<u>\$ 127,336</u>	<u>\$ 133,269</u>	<u>\$ 64,211</u>
Muskegon Veterans Affairs (7940)				
ASSETS				
Cash and cash investments	\$ 7,556	\$ 273,343	\$ 278,408	\$ 2,491
Accrued interest receivable	189	528	509	208
	<u>\$ 7,745</u>	<u>\$ 273,871</u>	<u>\$ 278,917</u>	<u>\$ 2,699</u>
LIABILITIES				
Accounts payable	\$ 4,145	\$ 221,818	\$ 225,270	\$ 693
Unallocated receipts	3,600	271,258	272,852	2,006
	<u>\$ 7,745</u>	<u>\$ 493,076</u>	<u>\$ 498,122</u>	<u>\$ 2,699</u>
Orchard View (7982)				
ASSETS				
Cash and cash investments	\$ 30,543	\$ 1,049	\$ 248	\$ 31,344
Intergovernmental receivable	478	-	478	-
Accrued interest receivable	152	589	571	170
	<u>\$ 31,173</u>	<u>\$ 1,638</u>	<u>\$ 1,297</u>	<u>\$ 31,514</u>
LIABILITIES				
Unallocated receipts	<u>\$ 31,173</u>	<u>\$ 589</u>	<u>\$ 248</u>	<u>\$ 31,514</u>

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2003

	<u>Balance Oct. 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2003</u>
TOTALS - All Agency Funds				
ASSETS				
Cash and cash investments	\$ 2,049,584	\$ 110,251,403	\$ 100,363,791	\$ 11,937,196
Accounts receivable	775,111	3,053,808	2,594,961	1,233,958
'Intergovernmental receivable	478	-	478	-
Accrued interest receivable	3,876	24,123	19,760	8,239
	<u>\$ 2,829,049</u>	<u>\$ 113,329,334</u>	<u>\$ 102,978,990</u>	<u>\$ 13,179,393</u>
LIABILITIES				
Accounts payable	\$ 40,966	\$ 60,066,024	\$ 60,080,437	\$ 26,553
Accrued liabilities	29,676	42,440	35,320	36,796
Undistributed current and delinquent taxes	582,523	71,151,884	63,575,470	8,158,937
Intergovernmental payable	749,911	10,694,139	10,646,142	797,908
Fines and fees due to local municipalities and libraries	24,852	322,591	321,330	26,113
Trust deposits	442,290	25,468,891	23,705,770	2,205,411
Unallocated receipts	958,831	13,526,451	12,557,607	1,927,675
	<u>\$ 2,829,049</u>	<u>\$ 181,272,420</u>	<u>\$ 170,922,076</u>	<u>\$ 13,179,393</u>

County of Muskegon

GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTION*
Ten years ended September 30, 2003
(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>
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
2003	369,305	6,084,091	15,665,503	9,682,118	5,944,417	-	1,069,421	39,996	274,926	39,129,777

*Includes operating transfers to other funds.

**Starting in 1998 Muskegon County's fiscal year ends as of September 30th. 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, 2003
(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>
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	528,000
2003	20,755,324	12,751	5,271,575	9,144,444	789,922	597,859	328,901	36,900,776	1,809,479

*Starting in 1998 Muskegon County's fiscal year ends as of September 30th. 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, 2003

(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>
1994	\$ 2,143,790,778	\$ (38,688,405)	\$ 2,105,102,373	5.8416 %	\$ 12,297,166	\$ 10,923,071	88.83 %
1995	2,235,210,925	(38,048,470)	2,197,162,455	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	(140,077,421)	3,312,990,368	5.6984	18,878,744	16,945,593	89.76
2003	3,613,148,739	N/A	3,613,148,739	5.6984	20,589,167	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.

**2002 Adjustments:

Board of Review \$ (5,432,454)
Tax Tribunal (1,063,511)
Captured Value (133,581,456)

***Starting in 1998 Muskegon County's fiscal year ends as of September 30th. 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, 2003
(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>
TAX RATES						
1994	5.98%	42.10%	6.15%	3.98%		58.21%
1995	6.04	19.39	6.22	3.80		35.45
1996	5.98	23.13	6.35	3.98		39.44
1997	6.21	22.27	6.71	5.40		40.59
1998*	5.68	21.86	6.71	4.24		38.49
1999	5.85	21.77	6.71	4.12	.03%	38.45
2000	5.81	22.44	6.66	4.07	.25	39.23
2001	5.77	22.25	6.71	4.12	.03	38.88
2002	5.71	22.47	6.58	3.94	.73	39.43
2003	5.54	22.68	6.80	3.68	.69	39.39
TAX LEVIES						
1994	\$ 12,427,921	\$ 87,446,565	\$ 12,768,974	\$ 8,254,704		\$ 120,898,164
1995	12,966,934	41,601,695	13,344,669	8,150,961		76,064,259
1996	13,356,953	49,446,025	14,196,240	8,896,856		85,896,074
1997	14,714,175	52,732,928	15,900,758	9,163,942		92,511,803
1998*	14,321,069	55,162,528	16,941,551	10,705,610		97,130,758
1999	15,448,664	57,455,871	17,719,932	10,878,824	\$ 295,631	101,798,922
2000	16,309,903	63,028,479	18,689,153	11,432,787	692,992	110,153,314
2001	17,133,161	66,074,157	19,673,971	11,778,425	727,626	115,387,340
2002	18,530,653	72,895,046	21,346,870	12,775,920	2,354,683	127,903,172
2003	20,003,179	81,963,034	24,553,884	13,288,809	2,498,493	142,307,399

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 30th. 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, 2003

(Unaudited)

Year Ended	Real Property		Personal Property Assessed and Equalized	Total* Equalized Value
	Assessed	Equalized		
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
2003	4,226,229,077	4,226,229,077	367,789,945	4,594,019,022

*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 30th. 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, 2003

(Unaudited)

<u>Year Ended</u>	<u>New Commercial Construction Value</u>	<u>New Residential Construction Value</u>	<u>True Cash Property Value</u>
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	5,733,538,120
1999	27,558,076	128,191,080	5,616,574,908
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
2003	42,348,026	137,043,126	9,188,038,044

*Starting in 1998 Muskegon County's fiscal year ends as of September 30th. 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, 2003
(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>
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	17,725,000	0.66	111.49
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
2003	170,200	4,594,019,022	14,750,000	0.32	86.66

*Based on 1990 census

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

County of Muskegon

STATEMENT OF DIRECT AND OVERLAPPING DEBT

September 30, 2003

(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	\$19,985,000	100%	\$19,985,000
County at Large	42,380,000	100	42,380,000
Tax Anticipation Notes	<u>10,500,000</u>	100	<u>10,500,000</u>
Direct Debt	72,865,000		72,865,000
 Muskegon Community College & Intermediate School Districts	86,012	100	86,012
School Districts	321,884,191	99.9	321,562,307
Cities, Villages and Townships	39,510,004	100	39,510,004
White Lake District Library	<u>1,595,000</u>	100	<u>1,595,000</u>
Overlapping Debt	363,075,207		362,753,323
 Total Direct and Overlapping Debt	<u><u>\$435,940,207</u></u>		<u><u>\$435,618,323</u></u>

(Source: Municipal Advisory Council)

County of Muskegon

STATEMENT OF LEGAL DEBT MARGIN

September 30, 2003

(Unaudited)

State Equalized Value		<u>\$4,594,019,022</u>
Debt Limit 10 Percent of Equalized Value		\$459,401,902
Amount of Debt Applicable to Debt Limit		
Total Bonded Debt	\$72,865,000	
Other Debt	<u>8,851,468</u>	
	81,716,468	
Less Assets Available for Debt Retirement	<u>26,958,414</u>	
Total Amount of Debt Applicable to Debt Limit		<u>54,758,054</u>
Legal Debt Margin		<u>\$404,643,848</u>

County of Muskegon

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES**
Ten years ended September 30, 2003
(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>
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	142,841	327,841	26,666,322	1
1997	185,000	1,283,473	1,468,473	28,796,748	5
1998**	480,000	979,342	1,459,342	25,676,753	6
1999	509,868	1,032,090	1,541,958	30,804,586	5
2000	600,000	838,782	1,438,782	32,585,506	4
2001	660,000	801,988	1,461,988	33,172,223	4
2002	710,000	760,959	1,470,959	35,769,363	4
2003	770,000	715,587	1,485,587	39,129,777	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 30th. The amounts for 1998 represent a period of 9 months.

County of Muskegon

SPECIAL ASSESSMENT COLLECTIONS

Ten years ended September 30, 2003

(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>
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	10,030,000
2002	1,350,000	1,350,000	100	9,230,000
2003	800,000	800,000	100	8,430,000

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

County of Muskegon

REVENUE BOND COVERAGE
WASTEWATER MANAGEMENT SYSTEM
Ten years ended September 30, 2003
(Unaudited)

Year Ended	Gross Revenues(1)	Direct Operating Expenses(2)	Net Revenue Available for Debt Service	Debt Service Requirements(3)			% Coverage
				Principal	Interest	Total	
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
2003	3,425,875	121,447 (6)	3,304,428	2,285,000	1,161,798	3,446,798	0.96

(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

(6) Refunded \$6,990,000 bond in 2003

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

County of Muskegon

SALARIES OF PRINCIPAL OFFICIALS

September 30, 2003

(Unaudited)

<u>Group I</u>	\$90,000 - \$140,000	
Corporate Counsel	Director of Public Facilities	Prosecutor
County Administrator	Mental Health Director	Prosecutor, Chief Assistant
Director of Finance and Management Services	Probate Judge	
<u>Group II</u>	\$75,000 - \$90,000	
Administrator/Brookhaven	District Court Admin.	Prosecutor, Senior Assistant
Circuit Court Admin/Friend of the Court	Equalization Director	Sheriff
County Treasurer	Human Resources Deputy Director	Trial Lawyer, Chief
Director of Health & Comm. Resources	Information Systems Manager	Wastewater System Director
<u>Group III</u>	\$60,000 - \$75,000	
Accounting Manager	Deputy Health Officer	Public Health Epidemiologist
Admin. Asst. Clinical Service	Drain Commissioner	Public Works Director - Interim
Assistant Director	Employment & Training Manager	Quality Manager/CMH
Assistant Family Division Admin Legal	Family Division Referee	Register of Deeds
Attorney Magistrate - District Court	Human Resources Deputy	Risk Manager
Budget Manager	Laboratory Supervisor	Senior Psychologist
Captain	Library Director	Tourism Development Director
Computer Operations Manager/CMH	Lieutenant	Undersheriff
County Clerk	Mental Health Assistant Director	Wastewater Farm Manager
Criminal Justice Director	Network Manager/CMH	WW Engineer O&M Manager
Deputy Equalization Director	Prosecutor Senior Assistant (3)	

County of Muskegon

LABOR AGREEMENTS

September 30, 2003

(Unaudited)

	Expiration
Local 586, 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	12/31/06
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	12/31/06
General Employees Unit	12/31/04
CMH Aide Unit	12/31/04
Michigan Nurses Association Public Health Nurses	12/31/06
Professional Command Association Sheriff Department Captains	12/31/04

(Source: Human Resources Department)

County of Muskegon
SCHEDULE OF INSURANCE IN FORCE
September 30, 2003
(Unaudited)

Type of Coverage

Name of Agent

Name of Insurer	Policy Number	Policy Period	Annual Premium	Liability Limits	Details of Coverage
WORKERS' COMPENSATION					
Safety National Casualty Company (Discover Re)	SP6347-MI	1/1/03-1/1/04	\$61,200.00	\$1,000,000 employers liability	\$300,000 self-insured retention (\$400,000 Police)
PROPERTY INSURANCE					
Travelers Insurance Company	KTK-CMB-123D767-1-03	1/1/03-1/1/04	\$329,230.00	\$188,902,387.00	Replacement cost coverage for all property, per policy deductible, \$50,000.00
LIABILITY INSURANCE					
Michigan Municipal Risk Management Authority	N/A	1/1/03-1/1/04	\$516,580.00	\$15,000,000.00	General, Auto & Professional Liability Insurance. \$250,000 self-insured retention. Excludes \$4,000,000 on transit.
Evanston	3721A	7/1/03-7/1/04	\$2,050	\$200,000.00 Occ. \$600,000.00 Agg.	Medical Professional Liability for jail healthcare operations. \$5,000 deductible
Old Republic	PR183802	11/19/02-11/19/03	\$10,250.00	\$10,000,000.00 \$1,000,000.00	Airport Liability coverage Hangarkeepers coverage,
Michigan Transit Pool	N/A	12/1/02-12/1/03	\$48,968.00 Deposit Prem.	\$4,000,000.00	Coverage for Muskegon Area Transit System, \$100,000 deductible deductible
The Hartford	35BPEAG4816	1/1/00 until cancelled	\$4,309.00/ 3 years	\$100,000.00	Crime Insurance, \$1,000 deductible

County of Muskegon

SCHEDULE OF INSURANCE IN FORCE - continued
September 30, 2003
(Unaudited)

Type of Coverage

Name of Agent

Name of Insurer	Policy Number	Policy Period	Annual Premium	Liability Limits	Details of Coverage
ProNational	MP45675	8/01/03-8/01/04	\$7,042.00	\$200,000.00/Incident	Professional liability for Jail Physician. Muskegon County named additional insured.

EMPLOYEE INSURANCE COVERAGE

MEDICAL/HOSPITAL INSURANCE

Blue Cross/Blue Shield	62626	4/1/03-3/31/04	\$707,400.00	Spec. - \$50,000.00 Agr. - \$8,525,030.00	Stop Loss Insurance
Self-Insured TPA Blue Cross/Blue Shield	62626/62648	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 the next higher thousand.
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County of Muskegon

SCHEDULE OF INSURANCE IN FORCE - continued
September 30, 2003
(Unaudited)

Type of Coverage

Name of Agent

Name of Insurer	Policy Number	Pol. Period	Annual Premium	Liability Limits	Details of Coverage
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DENTAL INSURANCE

Delta Dental	2993-0001	7/1/03-6/30/04	\$555.72	N/A	Class I-100% of prevent: Rest of Class I and Class II: 60%, \$1,000 maximum per family member, with no deductible. Seven (7) Bargaining Units.
Delta Dental	2993-0003	7/1/03-6/30/04	\$500.64	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 three (3) bargaining units.
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	1/1/03-1/1/04	\$0.0037 times monthly payroll	66 2/3% of salary \$5,000 month	Long Term Disability; eligible after 180 days disability. Non-bargaining employees.
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UNEMPLOYMENT COMPENSATION

Annual Paid Claims

County of Muskegon

SCHEDULE OF INSURANCE IN FORCE - continued
September 30, 2003
(Unaudited)

Type of Coverage

Name of Agent

Name of Insurer	Policy Number	Pol. Period	Annual Premium	Liability Limits	Details of Coverage
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COUNTY INSURANCE COVERAGES

TAX COLLECTION BONDS

Hartford Insurance Company Summer Tax Bonds	81BSBCH2436	7/1/03-3/31/04	\$2,676.20	Percentage of summer tax rolls	Bonding of City/Township Treasurers' for collection of Summer State, County property taxes. Plus School taxes for Township Treasurers'
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TRAVEL INSURANCE

Continental Casualty Co.	SR68041580	5/1/03-5/1/04	\$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
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NAMED OFFICIAL PUBLIC OFFICIALS

Universal Insurance Services	3S26488504	1/1/03-1/1/04	\$2,653.00	Individual bonds of various amounts	Covers elected officials plus selected employees. Liability limits: Individual bonds of various amounts.
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PATIENT TRUST BOND

CNA Surety Co.	69320631	4/15/03-4/15/04	\$250.00	\$25,000.00	Brookhaven Patient Trust Bond; \$25,000 Surety Bond required by State of Michigan.
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County of Muskegon

AUTHORIZED POSITIONS BY DEPARTMENT

For five years ended September 30, 2003

(Unaudited)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<u>Administration</u>					
Administrator	9	8	8	9	9
Accounting	12	12	12	12	12
Human Resources	6	6	6	6	6
Purchasing	4	4	4	4	4
Office Services	4	4	4	4	4
Information Systems	11	11	12	12	11
Employment and Training-WIA	18	18	21	21	22
Corporate Counsel	-	-	-	-	3
Risk Management	<u>6</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>8</u>
Total	70	69	74	76	79
<u>DPW-Transportation and Planning</u>					
Public Works	1	1	1	1	1
Airport	17	16	16	16	20
Transit	39	39	43	45	46
Wastewater	78	80	81	81	81
Solid Waste	10	10	10	11	11
Solid Waste-Fly Ash	<u>5</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total	150	150	155	158	163
<u>General Government</u>					
County Clerk	6	6	6	6	6
County Clerk-Circuit Court Record	7	7	7	8	8
Equalization	15	20	22	23	23
Register of Deeds	8	9	9	9	9
Treasurer	10	10	10	10	10
Buildings Information Services	1	1	-	-	-
Drain Commission	5	5	4	4	5
MSU-Cooperative Extension	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total	54	60	60	62	63

County of Muskegon

AUTHORIZED POSITIONS BY DEPARTMENT - continued

For the five years ended September 30, 2003

(Unaudited)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<u>Judicial Administration</u>					
Circuit Court	21	20	19	19	19
District Court	48	53	54	56	56
District Court-Probation Assessment	2	2	2	2	2
Family Court-FOC Division	41	41	42	42	41
Friend of the Court Fund	3	-	-	-	-
Family Court-FOC Family Counseling	1	1	1	1	1
Family Court-FOC Medical Support	-	-	2	2	1
Family Court-FOC Welfare Support	-	-	1	1	1
Family Court-Juvenile Division	23	23	19	19	18
Family Court-Juvenile Diversion Program	1	1	1	-	-
Family Court-Juvenile In Home Intensive	6	12	13	13	13
Family Court-Re-Entry Initiative	-	-	-	-	3
Family Court-Special Improvement Project	-	-	-	-	3
Juvenile Court-Juvenile Violence Reporting	1	-	-	-	-
Probate Court	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Total	154	160	161	162	165
<u>Legislative</u>					
Board of Commissioners	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>11</u>
Total	9	9	9	9	11
<u>Libraries and Recreation</u>					
Library	40	41	41	42	42
County Parks	19	22	22	22	22
Convention/Visitor's Bureau	<u>-</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>
Total	59	68	68	69	68
<u>Maintenance</u>					
Courthouse-Grounds	<u>21</u>	<u>21</u>	<u>24</u>	<u>24</u>	<u>22</u>
Total	21	21	24	24	22

County of Muskegon

AUTHORIZED POSITIONS BY DEPARTMENT - continued

For the five years ended September 30, 2003

(Unaudited)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<u>Public and Mental Health</u>					
Health	107	106	110	110	87
Mental Health	302	302	255	256	255
Mental Health/Managed Care	<u>14</u>	<u>17</u>	<u>66</u>	<u>68</u>	<u>69</u>
Total	423	425	431	434	411
<u>Public Safety</u>					
Prosecutor	22	22	20	20	21
Prosecutor-Cooperative Reimbursement	5	5	5	5	6
Prosecutor-Crime Victim Rights	4	4	4	4	3
Prosecutor-Family Court FIA Grant	-	-	3	3	3
Prosecutor-Juvenile Accountability Incentive	-	1	2	2	1
Prosecutor-Community Gun Violence	-	-	-	-	2
Prosecutor-Project Cornerstone	-	2	2	2	2
Sheriff-Operations	106	106	108	108	115
Sheriff-Road Patrol Grant	2	2	2	2	2
Sheriff-School Liaison Grant	-	1	1	2	2
Sheriff-Marine	8	8	8	8	8
Sheriff-Township Patrols	-	-	5	5	5
Community Corrections	7	7	8	8	8
Emergency Services	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	156	160	171	172	181
<u>Social Services</u>					
Child Haven	16	16	16	16	16
Brookhaven	240	250	243	244	244
Juvenile Detention Center	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>
Total	282	292	285	286	286
GRAND TOTAL	<u>1378</u>	<u>1414</u>	<u>1438</u>	<u>1452</u>	<u>1449</u>

County of Muskegon

MISCELLANEOUS STATISTICAL DATA
September 30, 2003
(Unaudited)

<u>Date of Incorporation</u> - July 18, 1859	<u>Form of Government</u> - Elected Board of Commissioners from Eleven Districts
<u>Area</u> - 527.34 Square Miles	<u>Miles of Sewers, Storm and Sanitary</u> - 352

(Source: Department of Public Works)

<u>Police Protection</u>	
Number of Employees	126
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	223
Number of Teachers	2,525
Number of Students	35,697
Number of Charter Schools	3

(Source: MAISD)

County of Muskegon

MISCELLANEOUS STATISTICAL DATA - CONTINUED

September 30, 2003

(Unaudited)

Enterprises

Wastewater Treatment

Number of Users	18
Data on Use of Consumption	24,274,219 Gallons per day
Plant Capacity	43,000,000 Gallons per day
Data on Distribution System	59% Industrial, 41% Residential

Solid Waste

Number of Users	10,636
Data on Use	67,557 Tons
Plant Capacity	2,654,250 Cubic yards

Airport

Number of Users	64,857 Passengers annually
Data on Use	76,022 Landings and take-offs (annually)
Present Capacity	142,584 Passengers annually

Transit

Number of Users	393,764
Data on Use	656,279 Miles traveled
Number of Buses`	18

Employees as of September 30, 2003: 1,330

Election Data as of September 30, 2003:

Number of Registered Voters as of Last General Election	116,257
Number of Votes Cast In Last General Election (2000)	53,514
Percentage of Registered Voters Voting in Last General Election (2000)	46%
Last County Election (2001)	13%

(Source: County Clerk's Office)

County of Muskegon

MISCELLANEOUS STATISTICAL DATA - CONTINUED

September 30, 2003

(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.

<u>Population County for Last U.S. Census (2000)</u>	170,200	<u>Estimated Population in 2003:</u>	171,765
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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

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	1,791,460,000
1998	1,522,000,000	2003	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 2002 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, 2003

(Unaudited)

Principal Taxpayers - 2003

<u>Taxpayer</u>	<u>Business</u>	<u>Equalized value</u>	<u>Percentage total of assessed Evaluation</u>
Consumers Energy	Electric	\$108,653,299	2.89%
Sappi, Inc.	Paper products	56,528,300	1.56
Howmet Corp	Aerospace	51,758,700	1.39
Hayes-Lemmerz International	Automotive	29,636,900	0.80
Sun Chemical of Michigan LLC	Pigments	26,632,500	0.72
DTE Energy	Natural Gas	20,937,500	0.58
THF Fruitport Dev LP	Real Estate	18,002,700	0.40
Cannon Muskegon Corp	Metal Alloys	12,342,500	0.34
General Dynamics Inc	Military	12,540,300	0.33
Johnson Technology Inc	Aerospace	<u>11,896,400</u>	<u>0.33</u>
		\$348,929,099	7.60%

Total Taxable - \$3,613,148,739

<u>By Use</u>		<u>By Class</u>	
Residential	70.00%	Real Property	91.99%
Commercial	14.66	Personal Property	8.01
Personal	8.01		
Industrial	4.86		
Agricultural	2.47		

(Source: Equalization Department)

County of Muskegon

MISCELLANEOUS STATISTICAL DATA - CONTINUED

September 30, 2003

(Unaudited)

<u>Largest Employers</u>	<u>Approximate Number of Employees</u>
Mercy General Health Partners	2,400
Howmet Corp.	1,900
Hackley Hospital	1,300
County of Muskegon	1,300
Meijer Inc.	1,100
Hayes Lemmerz International	640
Dana Corporation	550
Sappi, Inc.	550
Johnson Technologies	510
General Dynamics Land Systems	500

(Source: Muskegon Area Chamber of Commerce)