

**County of Ottawa
Grand Haven, Michigan**



**2013 Comprehensive Annual
Financial Report**
Year Ended December 31, 2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

COUNTY OF OTTAWA

Grand Haven, Michigan

For the Year Ended December 31, 2013

BOARD OF COMMISSIONERS

2013

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COUNTY OF OTTAWA
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2013

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June 23, 2014

Members of the Board and the Citizens of the County of Ottawa:

The Comprehensive Annual Financial Report of the County of Ottawa, Michigan, for the fiscal year ended December 31, 2013, is submitted herewith. The financial statements included in this report have been audited by Vredeveld Haefner LLC, an independent firm of certified public accountants. The report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials, and other interested parties.

The financial statements have been prepared in compliance with applicable State statutes and Generally Accepted Accounting Principles (GAAP) as stated in the Governmental Accounting Standards Board statements and interpretations. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects, and that it is presented in such a manner as to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its funds.

The independent audit of the financial statements of the County of Ottawa 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 Ottawa'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 Ottawa's MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY AND ITS SERVICES

Named for the Ottawa Indians who hunted and fished the area's forests and streams, Ottawa County was established in 1837. The County began operation in December of 1837, and the U.S. Census of 1840 listed only 208 people in all of Ottawa County. The estimated 2013 population is 272,201. Ottawa County, encompassing an area of approximately 565 square miles, is located in the southwestern portion of Michigan's lower peninsula having over 30 miles of Lake Michigan shoreline. The County is comprised of six cities, one village, and seventeen townships. Ottawa County is the eighth largest county in Michigan in terms of total population. The County is bordered by the City of Muskegon to the Northwest and the City of Grand Rapids to the East.

The topography of the County is flat to gently rolling, with approximately half of its land area being devoted to agricultural purposes. The County enjoys a healthy mix of tourism, industrial, commercial, and agricultural uses within its confines.

The County's legislative body is an eleven-member Board of Commissioners which is elected from single-member districts, determined by population, on a partisan basis for two-year terms. The Board annually elects from within its ranks a Chairman and Vice-Chairman by majority vote.

The financial reporting entity of Ottawa County includes all the funds and capital assets of the primary government (i.e., Ottawa County, as legally defined), as well as all of its component units. The County provides a full range of services that are either mandated by State statute or authorized by the County Board of Commissioners. These services include legislative, judicial, public safety, public works, health, welfare, recreational, capital improvements and general administrative services.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Ottawa County Building Authority is separated into the appropriate categories of Debt Service, Capital Projects, Capital Assets and Long-term Debt and the Ottawa County, Michigan Insurance Authority is reported as an internal service fund. Discretely presented component units are reported separately in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Ottawa County Road Commission, the Ottawa County Central Dispatch Authority, the Ottawa County Public Utilities System, the Ottawa County Land Bank Authority and the Ottawa County Office of the Water Resources Commissioner are reported as discretely presented component units.

ECONOMIC CONDITION AND OUTLOOK

"Another great year for Ottawa County" according to W.E. Upjohn Institute for Employment Research economist George A. Erickcek in his *2013-2014 Forecast for Ottawa County* presented on February 20, 2014. All indications are that this trend in Ottawa County will likely continue into the future.

Employment

State/Nation

Michigan unemployment continues to improve. Michigan's annual average unemployment rate (not seasonally adjusted) has been declining each year since its most recent peak of 13.4 percent in 2009. For 2013, the national average unemployment rate was 7.4 percent. Michigan's 2013 rate was 8.8 percent which represents a decrease of 3.3 percent. In an April 2014 forecast by the University of Michigan (U of M), the State of Michigan is expected to realize a net increase of 41,700 jobs in 2014 and a gain of approximately 59,900 net jobs over 2015. Statewide, the top job producing sectors are expected to be in trade, transportation and utilities, professional and business services, and construction and manufacturing. The State's annual average unemployment rates are expected to be 7.4 percent and 6.8 percent in 2014 and 2015, respectively. The U of M forecast of the national economy carries similar positive sentiment with estimates of job creation over the next two years. The national annual average unemployment rates are projected to be 6.5 percent and 5.9 percent in 2014 and 2015, respectively. However, those forecasts are influenced by many factors. Internationally the European debt crisis & military actions and domestically spending cuts by the federal government, which could cause these employment projections to change.

Ottawa County

Ottawa County's annual average unemployment rate in 2013 was 6.7 percent, considerably lower than the State and National averages. Ottawa County's 2013 unemployment rate was about half of what it was during the Great Recession (12.1 percent in 2009). As of April, 2014 Ottawa County's unemployment rate is 5.7 percent. Of the 17 labor market areas which comprise the State of Michigan, Ottawa County's rate is tied (with Kent County's) for the second lowest unemployment rate in Michigan.

Specifically, the annual average employment which bottomed out at 100,700 in 2009 has steadily improved and has surpassed levels before the Great Recession:

Ottawa County's Total Employment 2007-2013 (Non-Farm, Not Seasonally Adjusted)			
<i>Year</i>	<i>Annual Average total Non-Farm Employment</i>	<i>Change</i>	<i>% Change</i>
2007	112,900		
2008	110,100	(2,800)	(2.5%)
2009	100,700	(9,400)	(8.5%)
2010	103,500	2,800	2.8%
2011	109,400	5,900	5.7%
2012	111,800	2,400	2.2%
2013	114,000	2,200	2.0%

Looking ahead, in the Upjohn Institute's 2013-14 Forecast, Ottawa County's total employment is expected to continue to increase by 2.4 percent in 2014 and 2.6 percent in 2015.

Composition of the Ottawa County Workforce

The principal reason for the optimism has been the rebound in manufacturing employment in Ottawa County. This characteristic hurt the County during the grip of the Great Recession when the purchases of durable goods slowed to a crawl. That concentration of manufacturing employment is now *helping* the County since growing consumer demand for durable goods is returning. Ottawa County's manufacturing dominance has again become an asset. Between 2009 and 2013, the economic sectors in Ottawa County which experienced the most employment growth (over ten percent) were; manufacturing at +25.5 percent, the professional and business services at +24.5 percent, financial at +23.3 percent, and leisure and hospitality at +16.3 percent. The only sector whose employment contracted over that period was other services at -6.1 percent.

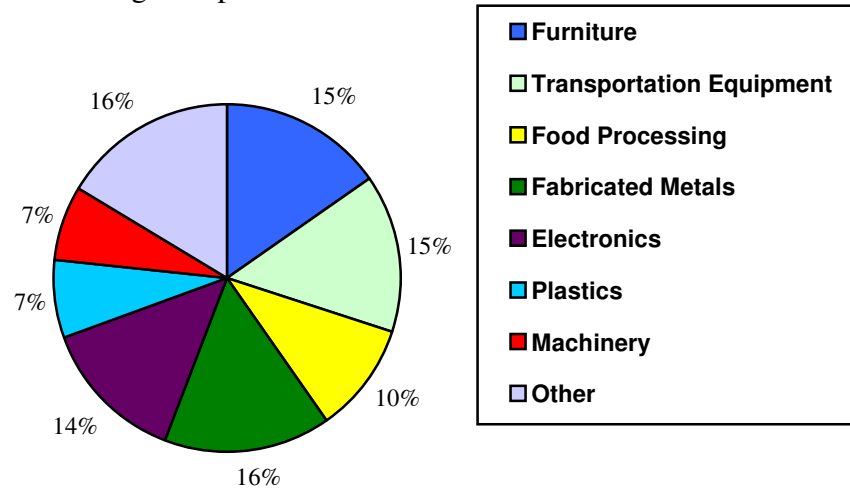
In the midst of the Great Recession, employment in the County's manufacturing sector dropped to an annual average of 27,100 jobs in 2009. By 2013, that sector had expanded substantially, adding 6,900 jobs for an annual average manufacturing workforce of 34,000. Manufacturing sector employment was well over the pre-recession level annual average of 33,100 in 2008.

In 2013, manufacturing employment in Ottawa County comprised about 30 percent of the total non-farm employment (private and government). By comparison, manufacturing employment for the entire State of Michigan comprised about 13.5 percent of the total employment. Therefore, Ottawa County had more than twice the share of manufacturing employment in the local economy, as did the State's economy. As of March 2014, of the 16 Metropolitan Areas in the State, Ottawa County's share of manufacturing employment at 30.0 percent was the largest, exceeding the metro area with the next largest share by nine percentage points (as shown below).

<u>Metropolitan Area</u>	<u>Percent Manufacturing Employment of Total Non-Farm Employment</u>
Ann Arbor MSA	6.7 %
Battle Creek	20.7
Bay City	10.7
Detroit-Livonia-Dearborn MD	11.6
Detroit-Warren-Livonia MSA	12.7
Flint	8.6
Grand Rapids-Wyoming	16.9
Holland-Grand Haven (Ottawa County)	30.0
Jackson	17.3
Kalamazoo-Portage MSA	14.2
Lansing-East Lansing	8.9
Monroe	12.8
Muskegon-Norton Shores	20.8
Niles-Benton Harbor	21.0
Saginaw-Saginaw Township N	13.7
Warren-Farmington Hills-Troy MD	13.3

In Ottawa County, the ten largest manufacturing employers in early 2014 collectively accounted for about 53 percent of the total manufacturing employment. Among those top ten firms, five different industry groups were represented; automotive components, office furniture, food processing, metal fabrication and plastics, indicating relative diversification within that economic sector.

Ottawa County Manufacturing Composition



It is important to note that employment in the largest group (fabricated metals) accounts for no more than 15 percent of the total manufacturing employment.

Looking ahead, the private services sector is expected to contribute the most new jobs both in 2014 and 2015, at 2.8 and 3.0 percent, respectively. The goods producing sector (manufacturing) will also add jobs at rates between 2.5 and 2.7 percent in both years. The number of government jobs in Ottawa County will barely decrease (by -0.2 percent) in 2014 and then increase very slightly (at 0.4 percent) in 2015. Trend information for select industries follows.

Industry Trends

Automotive Industry

In 2013, transportation equipment was the third largest industry group by employment in Ottawa County. Employment in this group is expected to continually increase over the next several years. The Center for Automotive Research at the University of Michigan (U of M) estimates that U.S. motor vehicle production will be fairly constant over the next three years at 11.5 million units in 2014 and 2016 and 11.6 million units in 2015. U of M economists have forecast U.S. light vehicle sales to be 16.0 million units in 2014 and 16.3 million units in 2015. These estimates are up from the actual light vehicle sales of 15.5 million units in 2013.

Advanced Energy Storage

The newest industry to emerge within the local economy is the manufacture of advanced energy systems for hybrid & plug-in electric powered vehicles. LG Chem, of South Korea, opened a new \$300 million lithium-ion battery manufacturing plant in the City of Holland, which was built in 2012 and became operational mid-year in 2013. Johnson Controls, Inc. Lithium-ion battery cell manufacturing plant in Holland has been in production since 2012 and employees 200 people.

Office Furniture Industry

Overall, the office furniture industry, according to the Business & Institutional Furniture Manufacturers Association (BIFMA), is forecast to experience a 2.8 percent increase in the value of production of U.S. office furniture in 2014 over 2013. For 2015, production is expected to be even larger with a 10.4 percent increase over this year’s estimate.

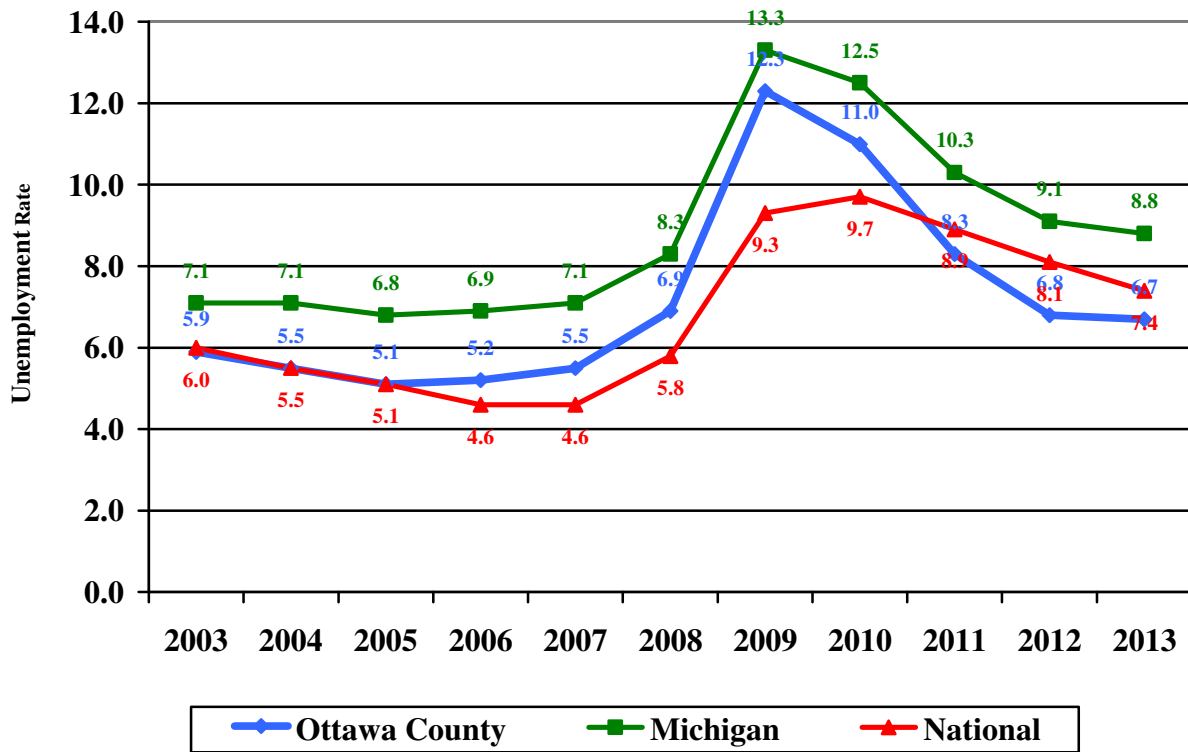
Workforce Training for Skilled Labor

With the Ottawa County economy’s reliance on manufacturing, employers at times express difficulties in finding the right talent to hire. This need has become more widespread as the available labor pool decreases in a growing economy. To address this concern, the Michigan Legislature created the Skilled Trades Training Fund. Effective October 1, 2013, \$10 million were earmarked to provide matching grants to companies that were training existing & new workers in the skilled industrial, construction and services trades. To date, 27 firms in Ottawa County have received grants totaling over \$1.3 million for the training of 1,763 workers. Ottawa County firms have utilized approximately 16 percent of this statewide program’s funds.

Current Unemployment Statistics

Ottawa County experienced a steady rise in annual average unemployment rates for the last several years with the sharpest increase occurring between 2008 and 2009. Notably, the unemployment rate in Ottawa County declined by nearly half between 2009 and 2013.

Annual Unemployment Rates (2003-2013)



Source: Michigan Labor Market Information (Michigan Department of Energy, Labor and Economic Growth)

Ottawa County Tax Base

The employment forecast does not take into account the specific information associated with several large, recently identified manufacturing expansion projects which will significantly impact the tax base.

Currently, there are a number of significant capital expenditure/job creating projects underway in Ottawa County, including projects of Continental Dairy Facilities/Fairlife (Fair Oaks Farms Brands), Hillshire Brands (Sara Lee Foods), Royal Technologies and Gentex. Likewise, there are a number of proposed industrial development projects that have yet to be announced.

In 2012, Fair Oaks Farms Brands, LLC began construction of a new \$127 million enhanced milk products bottling plant (second dairy project) on the grounds of Continental Dairy Facilities' milk drying plant in the City of Coopersville. Fair Oaks Farms Brands was renamed Fairlife, LLC and has welcomed the Coca-Cola Corporation as a partner. As the bottling plant was nearing completion at the end of 2013, Fairlife announced an internal expansion project valued at \$ 96.2 million. More machinery and equipment will be acquired to broaden the types of products bottled in the Coopersville plant. An initial nutritional milk product bottled at this plant is "Core Power," an 11.5 oz. natural high protein milk shake made in several flavors. The total anticipated workforce at Fairlife would be 178.

Continental Dairy Facilities, the first dairy project located on the former Delphi's fuel injector manufacturing site, is producing powdered milk products for domestic customers as well as for export. CDF is exporting its gold star dried milk to other countries including Algeria, Canada, China, Malaysia, Mexico, Thailand and Vietnam.

To accommodate the wastewater disposal needs of these two growing dairy operations, the City of Coopersville will be constructing later this year about \$2.4 million in wastewater collection and transmission improvements (a dedicated sewer pump station and two forcemains) to compliment the City's recently upgraded wastewater treatment plant.

Hillshire Brands food processing facility in Olive Township has recently undergone three building addition/renovation projects valued at \$ 28.2 million. The two building additions accounted for a total of 28,900 square feet. The internal renovation involved an approximate 29,200 square foot portion of the existing plant. More investments in new machinery and equipment are anticipated as well as the creation of new jobs in this expanded facility.

Royal Technologies, with facilities located in both the City of Hudsonville and Jamestown Charter Township, is the largest plastics injection molding company in Ottawa County. With over 800 employees, Royal Technologies is the 8th largest manufacturing employer in Ottawa County. Proposed is the acquisition of approximately \$7.8 million in new machinery and equipment. Approximately, twenty-seven new jobs will be created over the next two years as a result of this capital investment.

Poised for development is Gentex Corporation's North Riley Campus in Zeeland Township (automotive supplier). All of the internal roads and municipal water & sewer lines have been constructed within the vacant 140-acre site located in the northwest corner of Riley Street and 88th Avenue. Gentex will soon start constructing the first of four manufacturing/distribution centers and a central power plant on the new campus. The construction of Gentex's facilities

will occur in phases over about a ten-year period. At completion, it is anticipated the new facilities will comprise about one million square feet of manufacturing space. The total private investment is expected to be approximately \$465 million. When the new facilities are completed, they will be staffed by an estimated 2,928 new Gentex employees.

Industrial Tax Abatements

Almost all of the industrial development projects in Ottawa County apply for and receive P.A. 198 industrial facilities (property tax) exemptions on the investments in new and expanded facilities and the acquisitions of new machinery, equipment, furniture and fixtures. In 2013, the State Tax Commission issued a total of 63 certificates to firms in Ottawa County. These manufacturers are investing \$152 million over the next two years. The amount of investments in industrial development projects that were made over the last 5 years in Ottawa County was almost \$1 billion.

Of the 63 certificates issued, there were six large projects (having proposed investments greater than \$5 million). Those companies are; Perrigo (former J.B. Laboratories) in Holland Charter Township, Hillshire Brands (Sara Lee) in Olive Township, Meijer Distribution in Holland Charter Township, Supreme Machined Products in Spring Lake Township, Buhler Prince in the City of Holland, and Magna Mirrors in Holland Charter Township. A summary of the P.A. 198 certificates issued over the last five years is presented below.

<u>Year</u>	<u>No. of Certificates</u>	<u>Total Investment (Millions)</u>
2013	63	\$152.0
2012	54	277.0
2011	63	227.5
2010	34	82.4
2009	<u>37</u>	<u>178.5</u>
5-Year Totals	251	\$917.4

There are also a couple of economic development projects in Ottawa County that have not yet been made public. The largest of these “prospects” is an expansion of an existing food processing plant. The expansion would likely represent an investment of about \$35 million in new machinery & equipment that would increase the volume of inputted farm commodities and output of finished products by approximately 40 percent. This proposed expansion project would add about 25 new jobs to the company’s workforce.

Another anticipated major development project (commercial) involves the renovation of an old (1880s original construction), former industrial building in downtown Zeeland into a 45-unit market rate apartment complex. This approximate \$6.4 million rehabilitation project would be supported by a \$1.6 million Community Development Block Grant from the Michigan Economic Development Corporation for the exterior façade and interior work. The current footprint of the former Sligh Manufacturing building is about 67,000 square feet.

Other manufacturing expansion projects on the horizon for construction in Ottawa County (which will also be seeking tax abatements) represent an investment of almost \$44 million. They are as follows:

<u>Company</u>	<u>Community</u>	<u>Estimated New Investment</u>	<u>Activity</u>
Aggressive Tool & Die	City of Coopersville	\$1,629,217	Building Addition
Geskus Photograph	Tallmadge Township	1,703,104	Building Addition
H.S. Die & Engineering	Tallmadge Township	8,800,000	New M & E *
Magna Mirrors	Holland Township	3,703,630	New M & E
Big Dutchman	Holland Township	2,759,590	Building Addition
Request Foods	Holland Township	7,000,000	New M & E
United Mfg	Holland Township	723,217	Building Addition
Herman Miller	City of Zeeland	10,800,000	New M & E
Corlett-Turner	Holland Township	1,427,000	New Building
Laser Dynamics	Allendale Township	4,784,737	Building Addition
Speed Wrench	Jamestown Township	<u>650,000</u>	Building Addition
Total		\$43,980,495	

* M&E – Machinery and Equipment

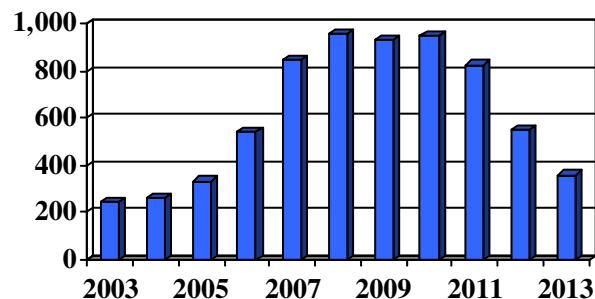
Major State Funded Road Construction Project in Ottawa County

In addition to private sector investment, a significant public infrastructure (road) project recently began construction in the northwestern portion of Ottawa County. Construction work continues on the M-231 bypass project in the northwestern portion of Ottawa County. MDOT is constructing a 3,700-foot long bridge over the Grand River at a location just west of 120th Avenue between Crockery and Robinson Townships. This bridge is one segment of a multiple phase State highway project to be built as a north/south by-pass to U.S. 31. When the initial road segment is completed, it will connect I-96 with M-45. The total cost of this new road project is expected to be \$ 186 million.

Housing

The recession resulted in record high home foreclosures throughout the country. Michigan had been among the top states with the highest amount of foreclosure activity. In Ottawa County, home foreclosures began rising in 2006 and continued to rise through 2010. Since 2010, there have been significant decreases in the number filings each year. The 2013 amount (359) is better than prerecession totals, and the downward trend is continuing in 2014.

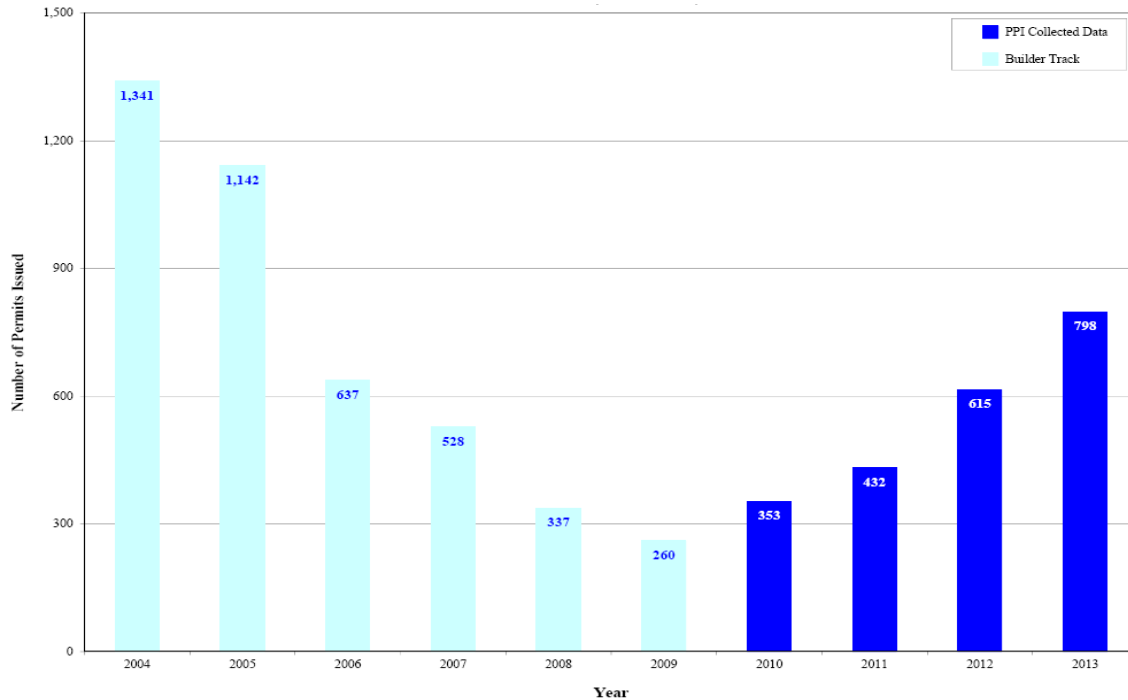
**Ottawa County Mortgage
Foreclosures**



The news is also good with regard to housing starts:

Number of New Residential Single Family Building Permits Issued in Ottawa County

Annual Data (2004 - 2013)



Source: Builder Track Reports (2004-2009 data); PPI collected data (2010-2013 data)
Prepared by: Planning and Performance Improvement (PPI) Department (2/5/14)

Housing construction in Ottawa County has also begun to experience a rebound. During the Great Recession, the number of single family building permits issued dropped to a low of 260 in 2009. Since then, the total has risen each year. In 2013, a total of 798 permits were issued in Ottawa County which represented about a 206 percent increase over the low in 2009. In 2013, housing starts are actually higher than pre-recession levels. Building permits issued for multi-family units in Ottawa County were also up sharply in 2013 over 2012. The 120 permits in 2013 represented about a 193 percent increase over the 41 permits issued the previous year. The improved housing construction activity is occurring due in part to the reduced number of houses available through foreclosures and the continued low interest rates on home mortgages offered by lenders. Permits for non-residential construction also increased 47% over 2012.

Income

According to the U.S. Census Bureau, Ottawa County has consistently had a higher median household income than both the State and national averages. Ottawa County experienced substantially less of a drop in median household income due to the Great Recession (between 2008 and 2009) than did the State or nation. Over the four-year term represented, only the U.S. median household income figure entirely rebounded.

Median Household Income

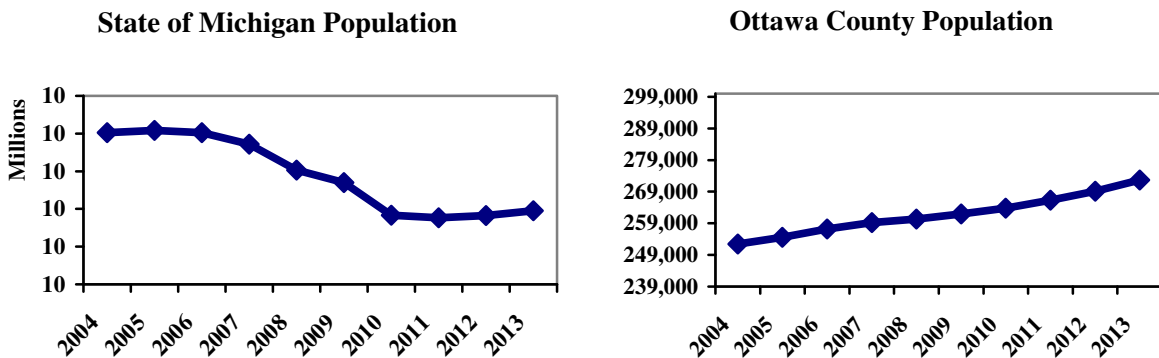
<u>Year</u>	<u>Ottawa County</u>	<u>Michigan</u>	<u>U.S.</u>
2012	\$55,760	\$48,471	\$53,046
2011	54,461	45,931	50,502
2010	53,454	45,354	50,046
2009	52,107	45,254	45,354
2008	56,208	49,788	50,303

A review of recent average annual wage rates of the 15 Metropolitan Statistics Areas in the State of Michigan showed that Ottawa County’s 2012 average hourly wage of \$18.63 was lower than the averages of 12 other MSAs. By comparison, the State average hourly wage was \$21.01, and the MSA with the highest wage rate was Ann Arbor at \$24.19.

Population

Along with the growth in jobs within Ottawa County, the total population of Ottawa County has continued to increase year after year during the last decade. Michigan was the only state in the nation to experience a net loss (-0.6 percent) in total population between 2000 and 2010. In contrast, Ottawa County’s total population grew by 10.7 percent over that ten-year period. The Census Bureau estimated Ottawa County’s 2013 population to be 272,701 which is 8,900 more persons living in Ottawa County than three years prior. Ottawa County’s one-year (between 2012 and 2013) population growth rate of 1.3 percent was the largest of all 83 counties in the State of Michigan. New residents are attracted to Ottawa County because of the many employment opportunities.

The graphs below show the different population trends between Ottawa County and the State of Michigan.



Legislative Initiatives

There are several factors in Ottawa County’s favor for a continued healthy local economy. In addition to the above, the recent passage of several pieces of State legislation should also prove helpful. In December 2012, State legislation was passed to initially exempt the commercial and industrial personal property tax (PPT) for businesses with year-end (2013) taxable values under \$ 40,000. Also proposed was exempting all industrial personal property taxes (in phases) upon the passage of a statewide referendum on August 5, 2014 which would allow for the reimbursement of lost PPT revenues to local units of government primarily utilizing the State’s use tax revenues (on purchases out-of-state, telecom services and lodging).

Another legislative hallmark event in Michigan that occurred in 2012 was the passage of Freedom To Work legislation. Effective, as of March 28, 2013, Michigan became the 24th “Right To Work” state in the nation. This major business climate change will make Michigan more competitive to major corporations conducting site location searches for new operations that will have sizable workforces.

Last, the entrepreneurial spirit, favorable local business climate and extensive business support network are all embedded in the fabric of Ottawa County. The County is confident that the quality and work ethic of its workforce, the many amenities associated with living in Ottawa County as well as the new initiatives being pursued will result in the expansion of existing businesses and attraction of new investments and job opportunities.

Long Term Financial Planning/ Financial Policies

In addition to the local economy, the actions the County Board takes also impact the financial outlook for the County. The County has compiled information on both the discretionary and mandated services the County provides. From the information, the Board establishes priorities and funding mechanisms which allow the County to respond to local and regional economic trauma, changes in service requirements, changes in State and Federal priorities and funding as they affect the County's residents.

As a part of its budget process, the County projects financial results for five years for the General Fund. These projections help us determine the financial feasibility of proposed programming and the impact of changes in the cost environment (e.g., other post-employment benefits). The Ottawa County Operating Budget Policy requires that the operating budget be supported by ongoing, recurring operating revenues, rather than through bonds or one-time dollars. This protects the County from fluctuating service levels and avoids crisis when one-time revenues are reduced or removed.

In addition, the County's fund balance policy directs the County to establish an unassigned fund balance in the General Fund to pay expenditures caused by unforeseen emergencies, for cash short-falls caused by revenue declines and to eliminate any short-term borrowing. The unassigned fund balance shall be maintained at an amount which represents a minimum of 10% and up to 15% of the General Fund actual expenditures for the most recently completed audit but not more than the equivalent of three months of operations of the planned budget year. This policy results in a target unassigned fund balance range of \$5.9 million to \$8.9 million. In accordance with the General Fund Budget Surplus Policy, the excess assigned fund balance will be used to provide a funding source for new initiatives, provide additional funds for the 2015 budget, and provide future funding for building projects.

One key policy is that the County will strive to fully fund the County's financing tools. The financing tools are a set of funds established (in some cases) as far back as 25 years ago. These funds address a variety of ongoing costs by providing alternate funding sources. Costs addressed by the financing tools include debt service, landfill clean-up, equipment replacement, and capital improvements. The County estimates that over the next five years, the financing tools will be covering an average of \$6.3 million in costs each year.

The above strategies and fiscal policies guided the 2013 budget and, by extension, the financial results for 2013. With financial forecasting, the creation of long-term financing tools, and strict

adherence to budget and fiscal policies, the County has positively impacted all future financial decisions and the County's financial stability. These tools have permitted the County to maintain low property tax rates, lower costs to departments, and provide services needed by County citizens. Maintaining these practices will be critical in addressing the new financial challenges before us.

MAJOR INITIATIVES

The Ottawa County Board of Commissioners initiated and/or completed a number of major initiatives in 2013 designed to enhance Ottawa County residents' quality of life and increase the effectiveness of County government. The following identifies the major initiative areas and the specific initiatives started, continued, or completed in each area.

Board/Administration

"FOUR C'S" INITIATIVE

The County has begun the "Four C's" initiative, which is aimed to further improve the culture and performance of the County workforce. Specific programs within the initiative include Communication, Creativity, Customer Service and Cultural Intelligence. A communications position, shared with Parks in 2013, has been made available to all county departments as a resource to improve communications with citizens and other stakeholders. By the end of 2013 roughly 600 employees, or half of the County workforce, has attended "The Disney Way" training, establishing a basis and beginning for a common standard of customer service and training for all County employees. The Board of Commissioners received a "Business Case for Diversity and Inclusion" from the Lakeshore Ethnic Diversity Alliance, suggesting the importance of this issue for the future financial health and success of our community and how the County can be part of this discussion. A comprehensive training has been established and all County staff is beginning to take this training. The Creativity initiative, composed of innovation and continuous improvement, will focus on training employees to incorporate strategies to continually improve our processes and services.

HEALTH MANAGEMENT PROGRAM

Following aggressive changes to the health plans offered to employees in 2011, the County implemented a comprehensive health management plan in 2012 that has been described as industry leading by Priority Health. The long-term goal of the program is to improve the health of employees and spouses which will help to further contain the cost of health insurance into the future by lowering health claims. Early returns in 2013 demonstrate that we have a higher percentage of employees with fewer health risks as measured in Health Risk Appraisals and Biometric Screenings than when measured in 2012. A statistical model is being built so that we can estimate the savings in medical costs by encouraging a healthier workforce.

PROPERTY DESCRIPTION & MAPPING ORGANIZATIONAL EFFICIENCY ANALYSIS

In September 2013, the Planning and Performance Improvement Department completed an Organizational Efficiency Analysis (OEA) of the County's Property Description and Mapping (PD&M) Division, which is a part of the Equalization Department. An OEA involves analyzing the organizational structure, staffing levels, and service delivery. The OEA verified that several opportunities exist to achieve greater efficiencies in PD&M. In total, 2,609 hours in annual time savings were identified. This time savings will translate into a .73 FTE reduction in staff, which will save almost \$60,000 annually.

ENERGY STUDY

Ottawa County engaged Johnson Controls Inc. to perform an energy audit of County owned facilities in West Olive, Grand Haven, Holland and Hudsonville. This audit revealed numerous opportunities for energy savings by replacing or modifying HVAC equipment, adopting new water conservation measures and utilizing LED lighting. These revisions are expected to produce \$3,600,000 in energy and operational savings over the next fifteen years. A performance contract was negotiated which guarantee those savings and completes the project within eighteen months.

Economic Development and Land Use Planning

BROWNFIELDS ASSESSMENT GRANT

In 2013, Ottawa County was awarded \$400,000 in grant funds from the U.S. Environmental Protection Agency (EPA) Brownfields Assessment Program. The Brownfields Program provides communities with funding in order to assess, cleanup, and redevelop contaminated properties, promote economic development, create jobs, and protect public health.

The County will utilize the grant funds to perform Phase I and Phase II environmental assessments of properties that are believed to be contaminated. If contamination is found as a result of the environmental assessments, the grant funds can be utilized to complete Baseline Environmental Assessments and to formulate cleanup plans. The redeveloped properties, in turn, would have a measurable impact on the local economy (e.g. create jobs, increase local investment) and/or would remove a public health risk.

WATER RESOURCES STUDY

Ottawa County has experienced several issues related to groundwater in some areas of the County over the last few years. The primary issues include a reduction in static water levels in some areas as well as sodium chloride levels that are increasing above recommended drinking water standards.

In June 2013, Michigan State University Institute of Water Research (IWR) completed the first phase of the Comprehensive Groundwater Resource Study. The Phase I Study identified the potential causes of these groundwater issues. The Study indicates that “water mining” is causing groundwater levels to decline in some areas of the County, while also causing chloride “upwelling” in certain areas.

After learning of these results, it was determined that a second (Phase II) study was necessary to better understand and protect the County’s aquifers. The goal of the Phase II Study is to quantify the sustainability of the County’s groundwater supply, identify other areas of the State that may potentially experience similar groundwater issues, and recommend policy options to help preserve traditional groundwater reserves.

The Phase II Study is being funded by \$450,000 in contributions from the County, local units of government, private organizations, community foundations, the Michigan Department of Agriculture and Rural Development, and the State Legislature.

Technology

ORGANIZATION

The Innovation and Technology department (IT) has implemented initial organizational changes recommended in the 2012 Plante & Moran study. The previous structure of four managers and one supervisor reporting to the Department Head has been replaced with a two manager and one Project Management Coordinator leadership team. The User Services and Infrastructure teams were consolidated into the Technical Infrastructure Team. The Geographic Information Systems (GIS), Community Mental Health and Applications & Data teams were consolidated into the Applied Technology Team. The Project Management Coordinator's role is to develop and supervise the internal processes and work with customers in a Business Relationship Management role to ensure a high level of customer satisfaction.

SOFTWARE IMPLEMENTATION

The IT Department was involved in the revision of the MICA Payroll Hours Entry (PHE) module to integrate with the MUNIS Enterprise Resource Planning (ERP) Payroll system. Implementation of capabilities and resolution of issues related to the new MUNIS ERP system were an ongoing effort throughout 2013. The installation of the Judicial Docket, Juvenile Daily Activity Reporting and Sheriff's Daily Activity Reporting systems were also completed in 2013. The County website was enhanced to provide a mobile version in May.

INFRASTRUCTURE A detailed review of the County's technical infrastructure was conducted in 2013. This study was a follow up to the Plante & Moran Study of 2012. The purpose was to develop accurate cost estimates (Bills of Material, labor) for infrastructure improvements including Wide Area Network (WAN), Local Area Network (LAN), Server and Storage, and Wireless. The infrastructure will provide a major investment in capabilities needed to support recommendations of the Plante & Moran study over the next five years.

Quality of Life

RECREATION – PARK ACQUISITION AND IMPROVEMENT PROJECTS

Macatawa Greenspace Dedicated – Site of the former Holland Country Club, the 122 acre Macatawa Greenspace property was transformed into a new county park and dedicated on June 27. Purchased in 2010 as part of Ottawa County's greenways initiative, the Macatawa Greenspace site has gone through a dramatic transformation, converting manicured golf greens and fairways to a mosaic of restored wetlands and other types of natural communities. Aided by a \$646,800 grant from the Environmental Protection Agency, over 62 acres of wetlands have been constructed at the site as part of a strategy to lower phosphorous levels and reduce overall non-point source pollution in Lake Macatawa.

Integrated within the restoration areas are recreational uses including three miles of hiking and cross-country ski trails including decks, boardwalks and bridges plus picnic areas and a disc golf course. Future plans for the park call for modern restrooms and a nature play area plus a paved greenway trail linking parks and preserves along the Macatawa River.



Grand River Habitat Restoration – Ottawa County Parks was awarded a \$110,000 federal grant for a two year project to restore shoreline habitat in the Lower Grand River by planting wild rice and controlling phragmites infestations. Work began in 2013 to control phragmites, a highly invasive wetland plant which can grow over ten feet in height and crowd out native plants like wild rice. Wild rice once thrived in the lower Grand River and was an important food source for both wildlife and Native Americans. The grant will be matched with \$41,837 in staff time and funds from Ottawa County Parks and several project partners including the Ottawa County Invasive Phragmites Group and the Michigan Natural Features Inventory.



Criminal Justice

ELECTRONIC TICKETING (E-TICKETING) SYSTEM AND PROCESS

The Sheriff's Office, along with other area law enforcement partners, began implementation of the E-Ticketing System in 2013. Through grant funding and an overwhelming amount of cooperation between local law enforcement agencies, the Central Dispatch Authority and the Ottawa County Court system, the process of electronic tickets has been tested and implementation was well underway as of the end of 2013. The E-Ticketing process provides the law enforcement officer in Ottawa County with the ability to generate a traffic citation from their patrol car electronically, print the citation, provide the electronic copy to the motorist, while at the same time conveying the citation information directly to the District Court to allow for instant documentation and processing of the violation. The system also provides for an electronic form of warning, in the event the officer does not issue an actual violation. Testing and implementation has gone very well so far. Further implementation of this new system is expected in 2014.

20th CIRCUIT COURT GRANT

During 2013, the County received a \$500,000 Bureau of Justice Assistance – Multi-Jurisdictional Juvenile Justice Data Sharing Project grant in support of efforts to implement integrated justice information systems throughout the state to ensure that each component of the criminal justice system has access to timely, complete, and accurate information necessary to inform decision-making at each stage of the criminal justice process.

FRIEND OF THE COURT (FOC) CASE CLOSURE INITIATIVE

The FOC earns federal incentive dollars based upon performance factors. Performance is measured by the amount of support collected in comparison to the amount ordered, collection on arrears based on open cases and the number of open cases that have an order of support attached. The FOC initiated a case closure project to increase performance in June 2013. The project involved working numerous reports to clean up data in the Michigan Child Support Enforcement System (MiCSES) and close cases if appropriate. Since June, the FOC has been able to close almost 600 cases. This has translated to increased performance on several factors and should result in increased incentives earned for 2014.

TRIAL AND JUVENILE DIVISION COLLECTIONS

The trial division continues to make strides on felony collections, surpassing the \$1 million mark for the second year in a row with a substantial portion of the collections (\$473,000) being returned to Ottawa County crime victims in the form of restitution payments and \$541,000 in court fines and costs (court appointed counsel fee reimbursement). Additionally, 649 Writs to Intercept State of Michigan Income Tax Returns were prepared and submitted to the Department of Treasury. Once Michigan Income Tax returns are filed for the individuals in these 649 cases, monies will be submitted to the court in accordance with financial obligations owed. Likewise, 2013 collections in the Juvenile Services Division totaled \$53,276 in attorney fees, \$46,262 in court costs/fines, \$5,410 in counseling fees, and \$182,140 in parental reimbursement for a total of \$287,088 collected. This represents a 20% increase over collections for 2012.

Health and Welfare

COMMUNITY MENTAL HEALTH REGIONALIZATION

In 2013 Community Mental Health of Ottawa (CMHOC) was heavily involved in preparatory efforts towards regionalization. Effective January 1, 2014, CMHOC joined Network180 (Kent County CMH), Muskegon CMH, Allegan CMH and West Michigan CMH (Lake, Mason, and Oceana Counties) to form the Lakeshore Regional Entity under a representative Board of Directors. This effort brought together:

- 5 Community Mental Health Service Programs (CMHSPs),
- 3 Medicaid Prepaid Inpatient Health Programs (PIHPs) or parts of
- 3 Substance Abuse Coordinating Agencies (CAs)

The CMHSP partners formed the Lakeshore Regional Entity (LRE), pursuant to MCL 330.1204b of the Mental Health Code, 1974 PA 258, to serve as PIHP, designated by the Michigan Department of Community Health (MDCH) as Region 3, a single coordinated effort that serves the seven counties of the Lakeshore Regional Entity.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to Ottawa County for its comprehensive annual financial report for the fiscal year ended December 31, 2012. The County has received this prestigious award for thirty consecutive years.

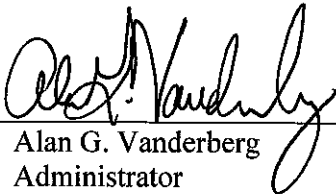
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is granted for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

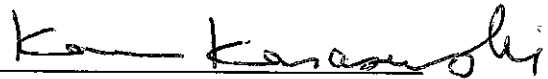
ACKNOWLEDGMENT

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Fiscal Services Department. We would like to express our gratitude to all members of the Ottawa County Board of Commissioners for their interest and support in planning and conducting financial operations of the County of Ottawa in a responsible and progressive manner.

Sincerely,



Alan G. Vanderberg
Administrator



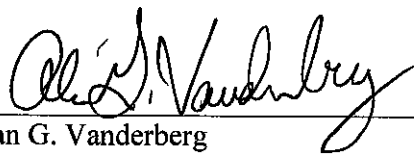
Karen Karasinski, CPA
Fiscal Services Director

**STATEMENT OF MANAGEMENT'S
RESPONSIBILITY FOR FINANCIAL STATEMENTS**


Responsibility for the integrity of the financial data presented rests with the County. We believe the data to be accurate in all material aspects. These financial statements are prepared in accordance with Generally Accepted Accounting Principles applicable to county government and State statutes.

The County maintains a system of internal controls to provide reasonable assurance that the books and records reflect authorized transactions of the County.

Vredeveld Haefner LLC, independent certified public accountants, have audited the accompanying financial statements, and the supplemental financial information has been subjected to the auditing procedures applied in their audit. Vredeveld Haefner LLC's report is included in the financial section of this report.



Alan G. Vanderberg
Administrator



Karen Karasinski, CPA
Fiscal Services Director



Government Finance Officers Association

**Certificate of
Achievement
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in Financial
Reporting**

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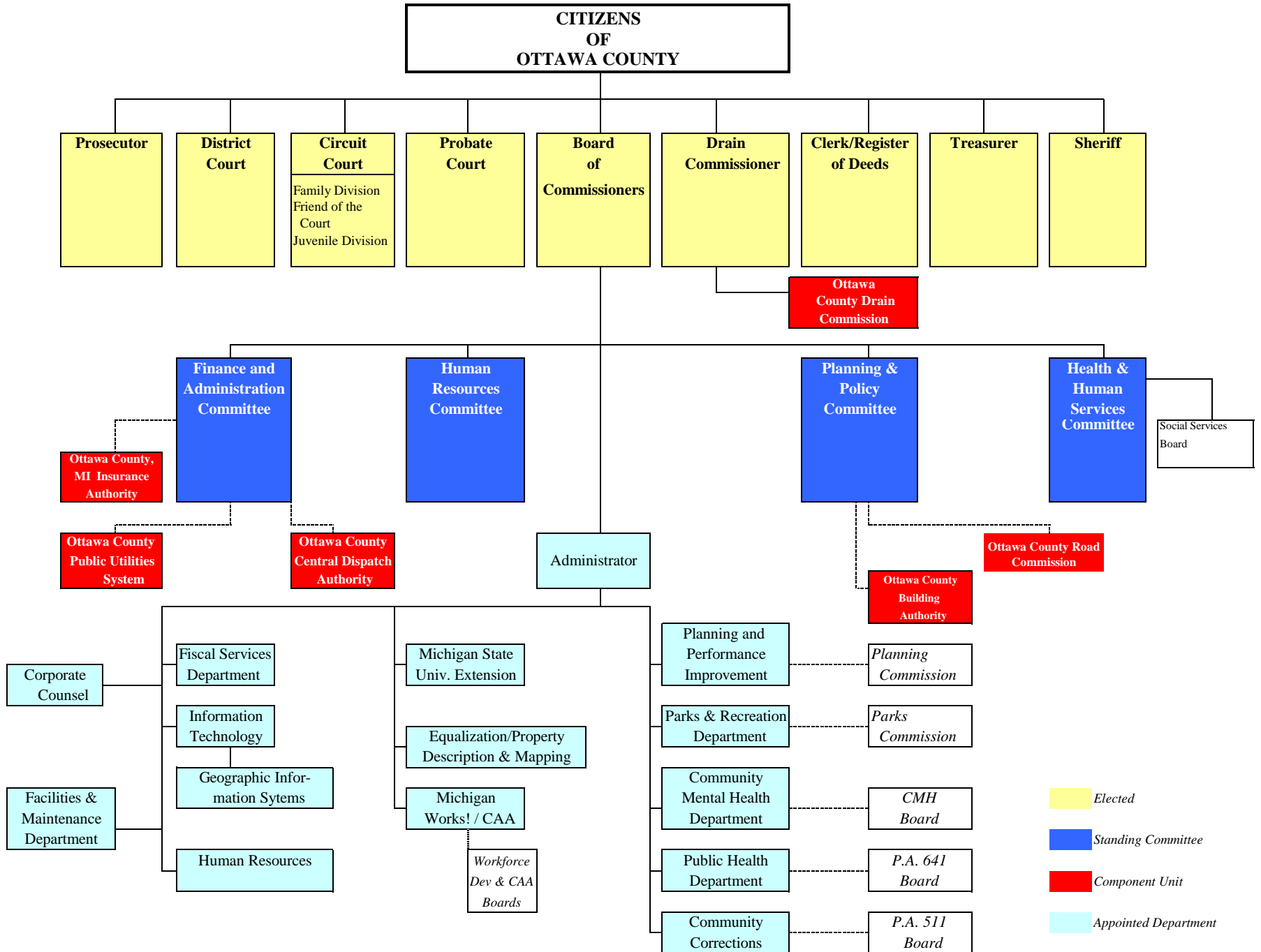
**County of Ottawa
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

2013 ORGANIZATIONAL CHART



- Elected
- Standing Committee
- Component Unit
- Appointed Department



Vredeveld Haefner LLC

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(616) 460-9388

INDEPENDENT AUDITORS' REPORT

June 17, 2014

County of Ottawa
Board of County Commissioners
West Olive, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ottawa, Michigan, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Mental Health Special Revenue fund, which is a major fund, or the Protected Self-Funded Insurance – Mental Health Internal Service fund. These represent 2.8 percent, 1.2 percent, and 29.0 percent, respectively, of the assets, net position, and revenues of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mental Health Funds, is based solely 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 from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ottawa County, Michigan, as of December 31, 2013, and the respective changes in financial position, and, where applicable cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 29-43 and the information on pages 120-128 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Ottawa, Michigan's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated June 17, 2014, on our consideration of the County of Ottawa, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Ottawa, Michigan's internal control over financial reporting and compliance.

Uredewald Haefner LLC

Management's Discussion and Analysis

As management of the *County of Ottawa*, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5 -24 of this report.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$226,026,211 (*net position*). Of this amount, \$100,297,438 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,309,648.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$59,818,304, an increase of \$3,797,611 in comparison with the prior year. 83.4 percent of the ending fund balances, \$49,900,051, are subject to the underlying limitations applicable to the particular general, special revenue, debt service and capital project funds. 16.6 percent of this total amount, \$9,918,586, is available for spending at the government's discretion only (General Fund unassigned fund balance)
- The General Fund had a net increase in fund balance of \$222,693 for 2013. At the end of the year, total fund balance for the General Fund was \$47,961,640, or approximately 80.9 percent of total General Fund expenditures (including transfers).
- The County's total bonded debt (including component units) increased by \$1,468,721 during the current fiscal year. In 2013, Ottawa County (primary government) issued \$5,495,000 of Qualified Energy Conservation bonds for energy improvements on several facilities. Ottawa County Public Utilities, component unit, issued \$6,189,488 of debt for the construction of water/sewer systems.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Ottawa County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, community and economic development, and culture and recreation. The business-type activities include the administration of the delinquent property tax collection system.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also five legally separate entities: Ottawa County Road Commission, Ottawa County Central Dispatch Authority (911), Ottawa County Land Bank Authority, Ottawa County Public Utilities, and the Ottawa County Office of the Water Resources Commission. Financial information for the *component units* is reported separately from the financial information presented for the primary government itself. The Ottawa County Building Authority and the Ottawa County, Michigan Insurance Authority, although also legally separate, function for all practical purposes as departments of the County, and therefore have been included as an integral part of the primary government.

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

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

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

The County maintains 19 individual governmental 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, Parks and Recreation, Health, and the Mental Health,

funds, each of which is considered to be a major fund. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its general, special revenue, debt service, capital projects and permanent funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary funds. The County maintains two types of proprietary funds. Enterprise funds report the same functions as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the Delinquent Tax Revolving Fund (5160).

The County maintains *internal service funds* to account for and allocate costs internally among the County's various functions. The County uses 10 internal service funds to account for the following functions: information technology services, duplicating, telecommunications, equipment pool, employee insurances, and protected self-funded liability, unemployment and worker's compensation insurances. Because these services predominantly benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information. The required supplementary information includes this management's and discussion and analysis, major fund budget to actual schedules and provides multi year trend information on the funding progress of the County's defined benefit pension plan and other post employment benefits.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This is limited to combining statements and schedules and statistical information.

Government-wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial health. In the case of the County of Ottawa, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$226,026,211 at the close of the most recent fiscal year.

County of Ottawa's Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$125,459,171	\$120,188,797	\$23,758,891	\$24,026,297	\$149,218,062	\$144,215,094
Deferred outflows of resources	\$185,922				\$185,922	\$0
Capital assets	130,628,596	132,235,099			130,628,596	132,235,099
Total assets and deferred outflows of resources	256,273,689	252,423,896	23,758,891	24,026,297	280,032,580	276,450,193
Long-term liabilities outstanding	24,492,357	30,487,631			24,492,357	30,487,631
Other liabilities	22,218,676	13,950,725	8,936	17,095	22,227,612	13,967,820
Deferred inflows of resources	7,286,400	7,278,179			7,286,400	7,278,179
Total liabilities and deferred inflows of resources	53,997,433	51,716,535	8,936	17,095	54,006,369	51,733,630
Net position:						
Net investment in capital assets	104,330,730	112,763,684			104,330,730	112,763,684
Restricted	20,227,256	19,273,135	1,170,787	530,943	21,398,043	19,804,078
Unrestricted	77,718,270	68,670,542	22,579,168	23,478,259	100,297,438	92,148,801
Total net position	\$202,276,256	\$200,707,361	\$23,749,955	\$24,009,202	\$226,026,211	\$224,716,563

The County's net position increased by over \$1.3 million in 2013. A large portion of the County's net position (44 percent) is unrestricted. *Unrestricted net position* may be used to meet the government's ongoing obligations to citizens and creditors.

Capital assets, representing 46 percent of total net position, includes land, buildings, vehicles and equipment less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt should be provided from other sources, since the capital assets themselves cannot readily be used to liquidate these liabilities. Capital assets decreased slightly in 2013 due to depreciation which exceeded new capital purchases.

In addition to the net investment in capital assets certain other restrictions on the use of net position apply due primarily to legal guidelines. This restricted net position total was \$21,398,043. The 2013 balance is higher due to increases in the net assets of Parks and Recreation activities funded with a property tax millage for parks.

County of Ottawa's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenue:						
Charges for services	\$25,075,304	\$25,758,463	\$2,015,105	\$2,064,177	\$27,090,409	\$27,822,640
Operating grants and contributions	58,200,664	62,917,831			58,200,664	62,917,831
Capital grants and contributions	92,595	2,293,472			92,595	2,293,472
General revenues:						
Property taxes	41,102,695	40,693,219			41,102,695	40,693,219
Grants and contributions not Restricted to specific programs	3,180,245	3,659,304			3,180,245	3,659,304
Investment earnings	3,509,045	3,233,155	(13,544)	160,201	3,495,501	3,393,356
Other	1,448,322	1,113,633	89		1,448,411	1,113,633
Total revenues	132,608,870	139,669,077	2,001,650	2,224,378	134,610,520	141,893,455
Expenses:						
Legislative	399,151	459,777			399,151	459,777
Judicial	15,693,406	15,783,718			15,693,406	15,783,718
General government	14,013,699	13,580,523			14,013,699	13,580,523
Public safety	31,265,666	30,932,957			31,265,666	30,932,957
Public works	956,091	300,235			956,091	300,235
Health and welfare	63,709,147	67,599,332			63,709,147	67,599,332
Community and economic development	710,324	742,845			710,324	742,845
Culture and recreation	3,502,223	3,103,891			3,502,223	3,103,891
Interest on long-term debt	942,708	1,346,926			942,708	1,346,926
Business-type activities			2,110,897	2,088,653	2,110,897	2,088,653
Total expenses	131,192,415	133,850,204	2,110,897	2,088,653	133,303,312	135,938,857
Increase in net position before transfers to other funds	1,416,455	5,818,873	(109,247)	135,725	1,307,208	5,954,598
Transfers	152,440	152,160	(150,000)	(150,000)	2,440	2,160
Increase (decrease) in net position	1,568,895	5,971,033	(259,247)	(14,275)	1,309,648	5,956,758
Net position, beginning of year, as restated	200,707,361	194,736,328	24,009,202	24,023,477	224,716,563	218,759,805
Net position, end of year	\$202,276,256	\$200,707,361	\$23,749,955	\$24,009,202	\$226,026,211	\$224,716,563

*Expenses include indirect expense allocation

The preceding table shows that the primary government's net position increased by \$1.3 million during 2013. Activity affecting net position is as follows:

Category	Effect on Net Position
Increase in Net Position of Internal Service Funds	3,160,000
Higher than anticipated Register of Deeds revenue	488,000
Unused (project delayed) drain assessment budget	450,000
Improved taxable value	385,000
Additional Convention Facility Tax revenue	358,000
Additional Out of County Jail Housing Revenue	281,000
Unused Contingency	171,000
Higher indigent legal costs	(211,000)
Additional landfill clean-up efforts	(296,000)
Medicaid Cost Settlement unrealized (Health)	(460,000)
Less State County Incentive Plan dollars due to changes in the recognition of payments	(533,000)
Lower investment returns than anticipated (Governmental Funds only)	(625,000)
Depreciation less capital asset purchases (Governmental Funds only)	(1,846,000)
	<u>\$1,322,000</u>

There are several contributors to the increase in the net position. The net position of the Ottawa County, Michigan Insurance Authority, an internal service fund, increased due primarily to lower claim activity and higher investment returns. The improving economy resulted in higher Register of Deeds activity, particularly for the real estate transfer tax which is based on home values. In a similar vein, the taxable value of the County increased 1.44% in 2013. During 2013, the County housed inmates from Kalamazoo County, gaining an additional \$281,000 in revenue. Convention Facility Tax revenue collected by the State of Michigan and given to counties increased due to the end of State debt payments on Cobo Hall. The amount for this State debt service had been subtracted from the amount given to counties. As in previous years, only a small portion of the amount set aside for contingencies was utilized in 2013.

Items decreasing net position include the higher indigent legal fees due to longer, more complex court cases, and a delay in the calculation the Medicaid Cost Settlement for Public Health. Previously, the State of Michigan provided counties with revenue sharing payments which were based on collections of the State Sales Tax. The payment received in February of the subsequent year was accrued because it represented collections of sales tax from October through December of the previous year. State Revenue sharing has been replaced with the County Incentive Plan (CIP) funding which is a State appropriation. As a result, the February payment is no longer susceptible for accrual.

Like many municipalities in Michigan, the adjustment to fair value of certain investment instruments resulted in negative investment earnings overall. Investment income is very difficult to project because the fair value is based on a moment in time. Also in 2013, depreciation on existing assets exceeded new capital acquisitions. Governmental funds are budgeted on a modified accrual basis which means depreciation is not budgeted in the funds and capital expenditures are budgeted. On the government-wide statement, capital asset amounts are recorded as assets and depreciation expense is added.

Revenues:

Revenues decreased by 5.1% in 2013. There are several revenue sources with variances.

Program charges for services:

Program charges for services decreased \$732,000 in total. The County consolidated certain funds in 2012 which resulted in more than 12 months of activity for certain activities on the 2012 statement. Specifically, fund 2610, Sheriff Contracts, was closed as of 9/30/12 and was consolidated into fund 2630 for the period 10/1/2012 – 12/31/2012 (15 months total). Revenue from this activity decreased by \$1.15 million in 2013 as it covered 12 months of activity. Fortunately, as mentioned earlier, Register of Deeds revenue increased \$488,000 due to an improving housing market.

Program operating grants and contributions:

Program grant revenue decreased \$4.7 million or 7.5% overall. As with program charges for services, the consolidation of certain funds resulted in more than 12 months of activity in this revenue category in 2012 as well, particularly in the Michigan Works and Community Action Agency funds. Program operating grants and contributions in these funds decreased \$5.4 million. Some of this is due to differing activity periods, but some of it also due to the end of American Recovery and Reinvestment Act of 2009 (ARRA) funding in 2013. ARRA funding in 2012 totaled \$1.8 million; in 2013, just \$85,000. Additionally, overall funding from the Department of Labor decreased an additional \$539,000.

In the General Fund, program operating grant revenue increased \$624,000 due to Homeland Security grants for operational costs. Revenue in the Mental Health fund increased \$1.2 million due to increases in Medicaid rates and the number Medicaid clients served. As indicated earlier, Medicaid Cost Settlement dollars for the Health fund were unrealized in 2013, so program operating grant revenue is down \$606,000 in 2013 (total Medicaid dollars). The Health fund also received \$142,000 less in State grant revenue in 2013. The fund consolidation mentioned for Michigan Works and Community Action Agency also impacted the Community Policing Programs in the Sheriff's office by \$260,000.

Program capital grants and contributions

These revenues vary depending on the number /and scope of capital improvement projects. In 2012, the County received \$416,000 primarily for emergency communication equipment and \$455,000 for the purchase of boats/boat engine for the Marine division with Homeland Security funds.

Property taxes

Taxes increased by \$410,000 or 1.0% which is consistent with the increase in taxable value of 1.44%. The percentage increase of actual revenue is less than the percentage increase in taxable value because the levy for E-911 and Parks was based on the 2012 taxable value which was .96% lower than the previous year.

Grants and Contributions Not Restricted to Specific Programs

As discussed previously, the revenue recognition policy changed for State revenue sharing when it became the County Incentive Plan (CIP) revenue. Since the CIP is not based on sales tax collection, revenue is lower in 2013. The comparison of 2013 State revenue sharing/CIP money payment to 2012 shows a reduction of \$517,000. It is important to note that this is a one-time adjustment.

Investment Earnings

In the governmental funds, investment income dropped \$618,000 due to the declining market value of mortgage backed securities. In Michigan, the types of investments are limited under State law. However, the Ottawa County, Michigan Insurance Authority (blended component unit, internal service fund) is exempt from these restrictions. As a result of increasing market value in equity securities, the investment earnings in the Ottawa County, Michigan Insurance Authority increased by over \$1 million.

Expenses:

Expenses as a whole decreased \$2.6 million or 2.0%.

Legislative expenses decreased due to adjustments made to the fringe benefit package of the County commissioners.

Judicial

Judicial expenses decrease for two reasons. In 2012, the Community Corrections fund which had a 9/30 year end was closed and these activities were moved to the General Fund. As a result, 2012 numbers reflect 15 months of activity, but 2013 reflects just 12 months (\$220,000). The indirect expense allocation fell by \$159,000 since 2012 included higher roll forward adjustments associated with depreciation charges on a new facility opened in 2009.

General government

General government expenses increased modestly. Because indirect administrative expenses fell overall, the subtraction from expenses from this category also fell (\$440,000). In addition, 2012 was an election year for the County, but 2013 was not (\$109,000). However, during 2013, the County implemented its “Four Cs” program, and significant funds (\$155,000) were spent on customer service training and Kolbe assessments on all County employees. The remainder of the increase is spread across several departments due to increases in personnel costs.

Public safety

Public safety expenses increased \$333,000 or just 1.0%. As mentioned under program charges for services, the County has consolidated certain funds which resulted in more than 12 months of activity for certain activities on the 2012 statement. Specifically, fund 2610, Sheriff Contracts and fund 2661, Sheriff Road Patrol, were closed as of 9/30/12 and consolidated into fund 2630, Sheriff Grants & Contracts, for the period 10/1/2012 – 12/31/2012. As a result, 2012 expenditures are \$1.7 million higher. In addition, in 2012, the County had significant funds from the department of Homeland Security to purchase boats for the Marine division (\$500,000). Expenses overall increased due primarily to increases in personnel costs including wages, health insurance and retirement costs and an additional \$125,000 in Homeland Security funds for non-capital purchases.

Public works

These expenses can vary significantly by year. Capital improvements made primarily in 2012 lowered treatment costs for the landfill in the long-term, effectively lowering the liability (and expenses) by \$1.08 million. 2013 had a small increase in the long-term liability.

Health and Welfare

Health and welfare expenses decreased \$3.9 million, or 5.8%. Expenses in Michigan Works and the Community Action Agency decreased \$6 million overall for the reasons discussed under program operating grants and contributions revenue. Mental Health expenses increased \$1.37 million due to increases the number Medicaid clients served.

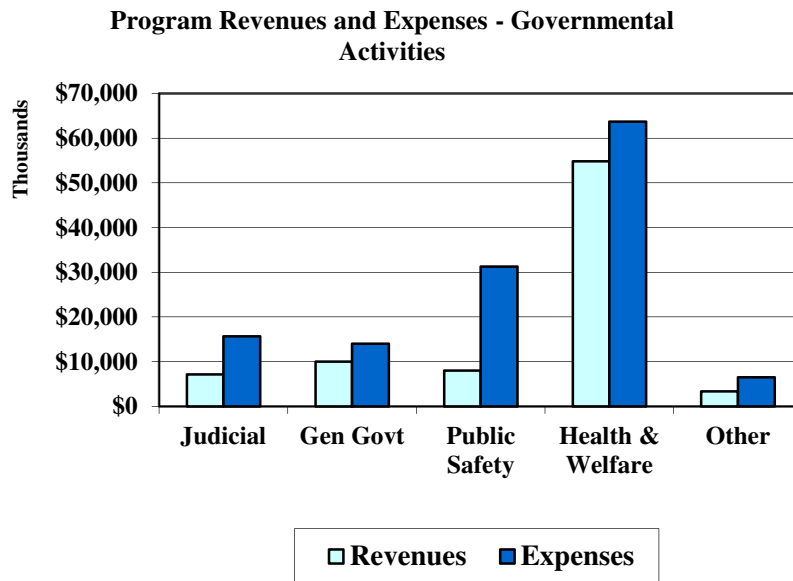
Culture and Recreation

Expenses for Culture and Recreation increased slightly. In 2013, 1.5 full time equivalents were added - a half time communications specialist and a full time park maintenance worker. Depreciation increased by \$91,000 over the prior year.

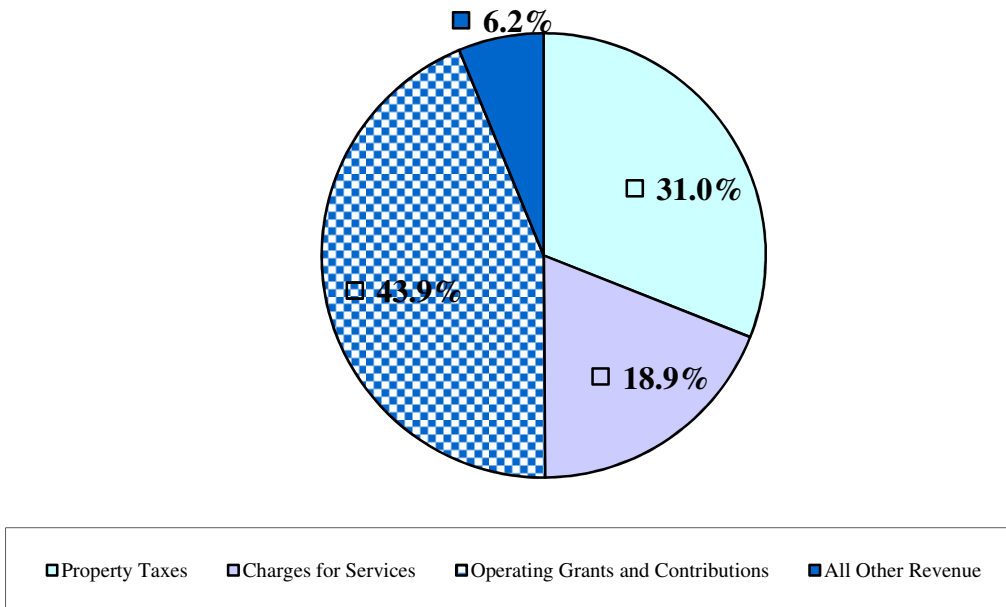
Interest on long-term debt

Interest on long-term debt decreased \$440,000 or 30.0%. 2012 reflects the recognition of the deferred bond issue costs which had previously been amortized.

The graph below summarizes revenues and expenses by category.



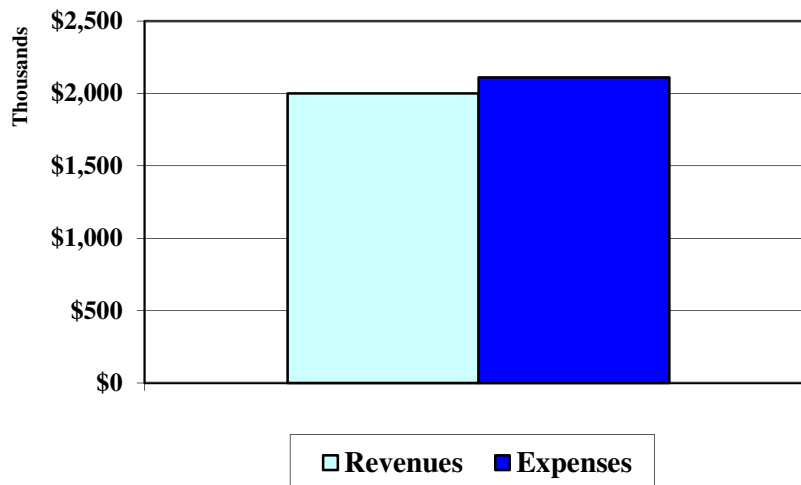
Revenues by Source - Governmental Activities



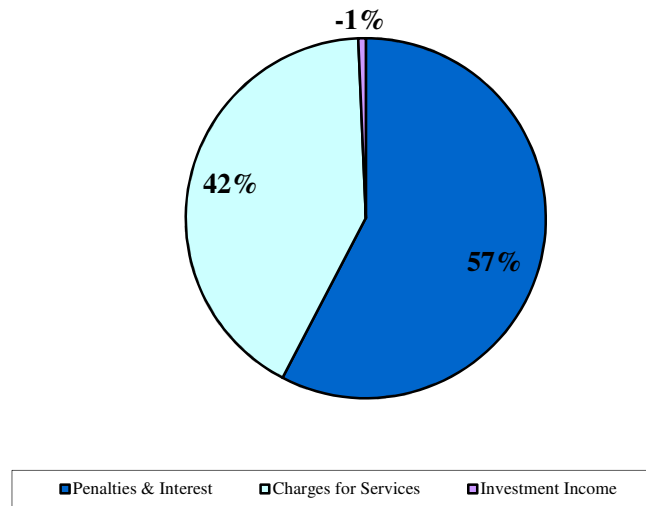
Business-type Activities

Business-type activities decreased the County’s net position by \$259,000 which was expected. The revenues for the business-type activities are penalties and interest on delinquent taxes, proceeds from tax sales, and investment income. Since the amount of delinquencies is decreasing, the penalties and interest earned is also decreasing. The majority of the expenses represent rent payments to the Ottawa County Building Authority (blended component unit). These payments cover principal and interest payments on several bond issues.

Program Revenues and Expenses - Business-type Activities



Revenue by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$59,818,304, an increase of \$3.8 million in comparison with the prior year.

Approximately 60% percent of this total amount (\$35.6 million) constitutes *spendable, non-restricted fund balance*. The remainder of fund balance is considered *non spendable* or *restricted* to indicate that it is not available for new spending because it is 1) not in a spendable form such as inventory or loans (\$960,745), 2) unavailable as it provides a long-term advance to component units and other funds (\$325,000) or 3) unavailable due to legal restrictions (\$22,920,409). Of the \$35.6 million, \$20.2 million has been committed by the Board of Commissioners for specific projects/spending, and \$5.5 million has been assigned by the County Administrator for specific projects/spending. The remaining \$9.9 million in unassigned fund balance which is available for spending at the County's discretion.

The General Fund (1010) is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$9,918,253, while total fund balance was \$47,961,640. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and transfers. Unassigned fund balance represents 16.7 percent of total General Fund expenditures and transfers out.

The fund balance of the County's General Fund increased by \$223,000 during 2013. This was mostly due to higher revenues than anticipated in housing related areas, inmate housing contracts, and Convention Facility tax as well as lower expenditures for substance abuse, lower delinquent and neglected youth care costs due to staff vacancies and lower program costs, and the delay of a major

drain project.

The Parks and Recreation fund (2081) has a total fund balance of \$4.66 million, which is an increase of \$799,000. The Parks and Recreation department is undergoing a period of growth and development with the help of a .33 property tax millage approved for park acquisition and development. Accordingly, the fund balance of the fund will vary from year to year with land acquisitions and capital improvement projects. In 2012, the department made \$2.0 million in land purchases and capital improvements to County parks, some of these were partially grant funded. Capital outlay was much lower in 2013.

The fund balance of the Health fund (2210) decreased by \$374,000. The County had anticipated Medicaid cost settlement dollars to be available within 180 days of year end, but the amount was not realized. However, the revenue may be received in 2014, so the fund balance may be restored. The fund balance of the Mental Health fund (2220) showed a small decrease.

General Fund Budgetary Highlights

The original revenue and expenditure budgets (including transfers in/out) for the General Fund (1010) were \$58,618,988 and \$59,815,809 respectively. The amended revenue budget was \$59,752,075, and the amended expenditure budget was \$59,889,833.

The revenue budget increased overall by \$1.1 million or 1.9 percent during the year. Upon award notification, budgets for Homeland Security grants increased revenues by \$629,000. Budgeted revenues in the Register of Deed's office were increased by \$487,000 due to improved housing activity. The budget for tax revenue was increased \$348,000 once the final taxable value numbers were determined; taxable value increased 1.44% in 2013 compared to the original budget increase of 0%. Budgeted revenues for inmate housing fees were increased by \$292,000 mostly to reflect the short term contract the County had with Kalamazoo County to house some of their inmates. The budget (and actual activity) for domestic relations court fees was moved from the Friend of the Court fund (Special Revenue fund 2160) to the General Fund in 2013 (\$272,000). Actual revenue from Convention Facility Tax came in \$358,000 over the original budget due to concern over the payment received from the State for October – December of 2014. Investment income was adjusted, but the fair value of certain investments was lower on December 31st than anticipated, causing investment income to be \$259,000 lower than budgeted. Operating transfers in decreased \$500,000 when it became clear the transfer from another fund was not needed. After reviewing the financial results, it was clear the \$625,000 operating transfer from the Delinquent Tax Revolving fund would also not be needed for 2013.

The budget for General Fund expenditures increased \$600,000 in total, and expenditures and transfers out as a whole were \$1.26 million under budget. As explained under revenue, expenditures of \$633,000 for the Homeland Security grants were added to the budget during the year. The Circuit Court budget was increased by \$202,000, mostly for indigent legal costs associated with major trials, and the Strategic Initiatives budget was increased \$251,000 for the implementation of the "Four Cs" plan (see also general government expenses). Budgets in the Sheriff and Jail programs were increased \$527,000, mostly for additional wages and fringe benefit costs (the original budget was not based on actual insurance selections by employees nor updated retirement rates for defined benefit employees as they were not available at the time). The budget for drain assessments was reduced by \$450,000 due to project delays. Transfers to other funds decreased \$486,000 in the Child Care fund and the Health fund to reflect anticipated needs through their year end. Substance abuse expenditures came in \$313,000 under budget because the coordinating agency was able to find alternative funding for some of the programs. The "Four Cs" project was not complete at 12/31/13 and \$96,000 was appropriated to next year. The remaining budget to actual variance is spread across

several departments and objects.

Capital Asset and Debt Administration

Capital assets. The County's (primary government) investment in capital assets as of December 31, 2013, amounted to \$130,628,596 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, and park facilities. The County's total investment in capital assets for the current fiscal year remained essentially steady as additions approximated depreciation.

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

- The County began energy improvements in most County facilities in 2013. Through 12/31/13, \$2.3 million of the \$5.4 million project has been completed.
- Approximately \$577,000 was spent on various land acquisition and park improvement projects for the Park system. Each of the projects were under \$100,000.
- The County spent \$938,000 on 40 vehicle replacements, mostly in Public Safety.

County of Ottawa's Governmental Activities Capital Assets (net of depreciation)

	2012			2013		
	Primary Government	Component Units	Total	Primary Government	Component Units	Total
Land	\$49,024,337	\$1,367,182	\$50,391,519	\$48,909,708	\$1,367,182	\$50,276,890
Construction in progress		920,359	920,359		494,185	494,185
Land improvements	11,747,273		11,747,273	11,310,811		11,310,811
Buildings and improvements	65,171,192	11,371,699	76,542,891	64,439,680	11,177,367	75,617,047
Machinery and equipment	6,292,297	3,186,580	9,478,877	5,968,397	4,627,173	10,595,570
Infrastructure		195,186,132	195,186,132		197,713,232	197,713,232
Total	\$132,235,099	\$212,031,952	\$344,267,051	\$130,628,596	\$215,379,139	\$346,007,735

Additional information on the County's capital assets can be found in note III.C on pages 89-93 of this report.

Long-term debt. At the end of the current fiscal year, the County had total general obligation bonds outstanding of \$136,760,958. Of this amount, \$136,709,060 of the bonds are backed by the County's full faith and credit.

County of Ottawa's Outstanding Debt
General Obligation Bonds

	<u>2012</u>			<u>2013</u>		
	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
General obligation bonds	\$14,040,000	\$98,157,237	\$112,197,237	\$18,700,000	\$95,925,958	\$114,625,958
General obligation bonds - Refunding	5,290,000	17,805,000	23,095,000	4,435,000	17,700,000	22,135,000
Total	\$19,330,000	\$115,962,237	\$135,292,237	\$23,135,000	\$113,625,958	\$136,760,958

The County's total general obligation bonded debt increased by \$1.5 million (1.1 percent). Debt from prior issues was reduced by \$10.2 million as planned. The County (primary government) issued \$5,495,000 in Qualified Energy Conservation bonds in 2013; Ottawa County Public Utilities (component unit) issued \$6.1 million in new debt during 2013.

The Ottawa County Drain Commissioner has various notes payable for which the benefiting drainage district has pledged its full faith and credit. During 2013, the Drain Commissioner issued \$750,000 in long term notes payable and \$120,000 in short term notes payable. The Drain Commissioner also reduced existing notes by \$1,365,000.

The County has a "AAA" rating from Fitch on general obligation limited tax bonds. Moody's bond rating is "Aaa" for general obligation unlimited and limited tax bonds. Standard and Poor's bond rating is "AA" for general obligation unlimited and limited tax bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current (2013) debt limitation for the County is \$1,038,557,411, which is significantly in excess of the County's outstanding general obligation debt. Additional information on the County's long-term debt can be found in note III.F on pages 97-101 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the 2013 fiscal year:

- The County's tax base has noticed improvement in the tax base. The changes in taxable value over the last few years is as follows:

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
(4.05%)	(2.15%)	(.96%)	1.44%	3.19%

- On the positive side, the County's operating levy is 3.6 mills which is the same rate as last year. More impressive, the County's millage rate is one of the lowest county millages in the State of Michigan. In fact, the County does not levy its maximum authorized levy to alleviate taxpayer burden. The County still has a cushion of .665 mills which provides an additional \$6.5 million the County may access with a vote of the Board of Commissioners.
- The unemployment rate for the County was 6.7% for 2013 which is significantly lower than Michigan as a whole (8.8%). The preliminary rate for April of 2014 is 5.7%. Clearly, the

County is headed in the right direction. Industry initiatives discussed in the transmittal letter have improved the employment outlook for the County.

- Between 2000 and 2010 Ottawa County had an annual average population growth rate of 1.04%, higher than the state or the nation.
- Inflationary trends in the region compare favorably to national indices.

Highlights of the 2014 budget are as follows:

- Reduction in the tax levy of 16% over the maximum allowable levy
- The budget reflects a net increase of 9 full time equivalents, 2.5 of which are partially grant funded
- Includes \$2.3 million in new equipment
- Includes contingency of \$295,121
- The budget does include a fund balance use for operations. However, the County will continue to meet its financial goal of maintaining a General Fund (fund 1010 only) unassigned fund balance that is at least 10% of the prior year's audited expenditures.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Fiscal Services Director, 12220 Fillmore Street, Room 331, West Olive, Michigan, 49460.

**County of Ottawa
Statement of Net Position
December 31, 2013**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>ASSETS</u>				
Current assets:				
Cash and pooled investments	\$70,706,489	\$18,982,580	\$89,689,069	\$21,987,480
Investments	32,259,271		32,259,271	
Receivables (net of allowance for estimated uncollectibles):				
Taxes	6,891,696	4,042,305	10,934,001	
Accrued interest and penalties on delinquent taxes		731,297	731,297	
Accounts	1,424,988	2,709	1,427,697	2,741,237
Accrued interest on investments	247,103		247,103	
Advances to component units	325,000		325,000	
Due from other governments: due within one year	10,015,818		10,015,818	5,947,839
Inventory of supplies	366,068		366,068	1,107,452
Prepaid items	677,165		677,165	416,103
Total current assets	<u>122,913,598</u>	<u>23,758,891</u>	<u>146,672,489</u>	<u>32,200,111</u>
Noncurrent assets:				
Net pension asset	1,734,157		1,734,157	300,000
Net other post employment benefits asset	458,615		458,615	
Due from other governments: due after one year	352,801		352,801	112,001,962
Capital assets not being depreciated	48,909,708		48,909,708	1,861,367
Capital assets being depreciated, net	81,718,888		81,718,888	213,517,772
Total noncurrent assets	<u>133,174,169</u>		<u>133,174,169</u>	<u>327,681,101</u>
Total assets	<u>256,087,767</u>	<u>23,758,891</u>	<u>279,846,658</u>	<u>359,881,212</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Unamortized deferred bond refunding costs	185,922		185,922	
Total deferred outflows of resources	<u>185,922</u>		<u>185,922</u>	
<u>LIABILITIES</u>				
Current liabilities				
Accounts payable	13,988,989	6,476	13,995,465	7,255,289
Interest payable	172,398		172,398	1,318,682
Due to component units				270,192
Due to other governments	2,279,910	2,460	2,282,370	9,369
Notes payable				150,000
Current portion of long-term debt	5,038,393		5,038,393	6,483,904
Advances from primary government				325,000
Advances from other governments	420,856		420,856	427,020
Unearned revenue	318,130		318,130	
Total current liabilities	<u>22,218,676</u>	<u>8,936</u>	<u>22,227,612</u>	<u>16,239,456</u>
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	24,492,357		24,492,357	113,352,738
Total noncurrent liabilities	<u>24,492,357</u>		<u>24,492,357</u>	<u>113,352,738</u>
Total liabilities	<u>46,711,033</u>	<u>8,936</u>	<u>46,719,969</u>	<u>129,592,194</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Aggregate deferred inflows	7,286,400		7,286,400	
Total deferred inflows of resources	<u>7,286,400</u>		<u>7,286,400</u>	
<u>NET POSITION</u>				
Net investment in capital assets	104,330,730		104,330,730	212,718,241
Restricted for:				
Debt Service				610,476
Capital projects	8,522,731		8,522,731	3,802,356
State of Michigan public act restrictions	9,618,401	1,170,787	10,789,188	30,213
Infrastructure maintenance				609,706
Managed care self-insurance pool	2,080,354		2,080,354	
Cemetery trust:				
Nonexpendable	5,770		5,770	
Unrestricted	<u>77,718,270</u>	<u>22,579,168</u>	<u>100,297,438</u>	<u>12,518,026</u>
Total net position	<u>\$202,276,256</u>	<u>\$23,749,955</u>	<u>\$226,026,211</u>	<u>\$230,289,018</u>

The accompanying notes are an integral part of the financial statements.

**County of Ottawa
Statement of Activities
For the Year Ended December 31, 2013**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue	
			Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government						
Governmental activities:						
Legislative	\$398,244	\$907			(\$399,151)	
Judicial	12,812,263	2,881,143	\$4,298,591	\$2,863,053	(8,531,762)	
General government	22,763,463	(8,749,764)	8,261,854	1,764,806	(3,987,039)	
Public safety	30,019,321	1,246,345	6,726,691	1,223,720	\$21,595	(23,293,660)
Public works	951,180	4,911	337,849	236,434	(381,808)	
Health and welfare	60,975,523	2,733,624	2,810,393	52,037,483	(8,861,271)	
Community and economic development	709,589	735	35,830		(674,494)	
Culture and recreation	3,500,648	1,575	788,511	75,168	71,000	(2,567,544)
Interest on long-term debt	942,708		1,815,585		872,877	
Total governmental activities	<u>133,072,939</u>	<u>(1,880,524)</u>	<u>25,075,304</u>	<u>58,200,664</u>	<u>92,595</u>	<u>(47,823,852)</u>
Business-type activities:						
Delinquent tax collection	216,300	1,894,597	2,015,105			(95,792)
Total primary government	<u>\$133,289,239</u>	<u>\$14,073</u>	<u>\$27,090,409</u>	<u>\$58,200,664</u>	<u>\$92,595</u>	<u>(\$47,919,644)</u>
Component units	<u>\$54,685,965</u>		<u>\$30,569,272</u>	<u>\$21,571,595</u>	<u>\$5,973,562</u>	<u>\$3,428,464</u>

(Continued on next page)

County of Ottawa
Statement of Activities (Concluded)
For the Year Ended December 31, 2013

	<u>Primary Government</u>			<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>	
Primary Government:				
Changes in net position:				
Net (expense) revenue	(\$47,823,852)	(\$95,792)	(\$47,919,644)	\$3,428,464
General Revenues:				
Property taxes, levied for general purposes	34,071,270		34,071,270	
Property taxes, levied for park development	2,941,638		2,941,638	
Property taxes, levied for E-911 Central Dispatch	4,089,787		4,089,787	
Grants and contributions not restricted to specific programs	3,180,245	89	3,180,334	
Investment earnings	3,509,045	(13,544)	3,495,501	76,796
Miscellaneous	1,448,322		1,448,322	70,280
Transfers - internal activities	152,440	(150,000)	2,440	-
Total general revenues and transfers	49,392,747	(163,455)	49,229,292	147,076
Change in net position	1,568,895	(259,247)	1,309,648	3,575,540
Net position - beginning of year, as restated	200,707,361	24,009,202	224,716,563	226,713,478
Net position - end of year	<u>\$202,276,256</u>	<u>\$23,749,955</u>	<u>\$226,026,211</u>	<u>\$230,289,018</u>

The accompanying notes are an integral part of the financial statements.

**County of Ottawa
Balance Sheet
Governmental Funds
December 31, 2013
(with comparative totals for December 31, 2012)**

	General	Parks and Recreation	Health	Mental Health	Other Governmental Funds	Total Governmental Funds 2013	2012
ASSETS							
Cash and pooled investments	\$45,159,821	\$5,148,703	\$506,147	\$2,145,172	\$5,336,001	\$58,295,844	\$50,495,515
Receivables (net of allowance for estimated uncollectibles):							
Taxes	4,335,815	2,555,881				6,891,696	7,337,356
Accounts	671,180	2,753	184,422	180,629	110,605	1,149,589	1,835,800
Accrued interest on investments	128,862					128,862	177,183
Due from other funds	1,035					1,035	104,403
Interfund receivable	2,095,465					2,095,465	5,136,726
Advances to component units	325,000					325,000	325,000
Due from other governmental units	3,325,029	56,904	237,111	2,487,129	4,262,446	10,368,619	14,030,179
Inventory of supplies	46,731	10,940	211,997	72,221	24,179	366,068	398,274
Prepaid expenditures	92,224	3,250	12,452	111,980	16,200	236,106	415,982
Total assets	\$56,181,162	\$7,778,431	\$1,152,129	\$4,997,131	\$9,749,431	\$79,858,284	\$80,256,418
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$1,779,468	\$81,943	\$340,196	\$2,590,753	\$1,387,757	\$6,180,117	\$6,947,154
Due to other governmental units			30,110	2,047,204	70,357	2,147,671	2,327,044
Due to other funds		1,035				1,035	327,210
Due to component units							1,565
Interfund payable					1,532,445	1,532,445	4,678,785
Advances from other governmental units					420,856	420,856	441,856
Unearned revenue	110,654	50,519	74,891	1,664	81,308	319,036	144,378
Total liabilities	1,890,122	133,497	445,197	4,639,621	3,492,723	10,601,160	14,867,992
Deferred inflows of resources:							
Aggregate deferred inflows	6,329,400	2,980,816	128,604			9,438,820	9,367,733
Total liabilities and deferred inflows of resources	8,219,522	3,114,313	573,801	4,639,621	3,492,723	20,039,980	24,235,725
Fund balances:							
Non spendable	816,756	14,190	224,449	184,201	46,149	1,285,745	1,628,489
Restricted	14,172,606	4,649,928		173,309	3,924,566	22,920,409	18,135,003
Committed	20,196,920				897	20,197,817	18,145,014
Assigned	2,857,105		353,879		2,285,096	5,496,080	6,057,064
Unassigned	9,918,253					9,918,253	12,055,123
Total fund balances	47,961,640	4,664,118	578,328	357,510	6,256,708	59,818,304	56,020,693
Total liabilities, deferred inflows of resources, and fund balance	\$56,181,162	\$7,778,431	\$1,152,129	\$4,997,131	\$9,749,431	\$79,858,284	\$80,256,418

The accompanying notes are an integral part of the financial statements.

**Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Position
of Governmental Activities on the Statement of Net Position
December 31, 2013**

Fund balances - total governmental funds	\$59,818,304
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	
Add: capital assets used in the operation of governmental funds	180,158,181
Subtract: accumulated depreciation	(52,587,795)
The net pension asset, a long-term asset, is not recorded in the funds.	1,734,157
The net other post employment benefits asset, a long-term asset, is not recorded in the funds.	458,615
Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds on a cost reimbursement basis. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	
Add: net position of governmental activities accounted for in internal service funds	40,058,694
Certain revenue that was earned and accrued in the current period but not received after 60 days is not recognized in the fund statement but recognized under full accrual.	2,153,326
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Subtract: bonds payable	(23,135,000)
Subtract: landfill reclamation	(3,280,502)
Subtract: compensated absences	(2,797,671)
Subtract: accrued interest payable	(172,398)
Amortization of deferred bond refunding loss and bond premiums are not recorded in the governmental funds, but are netted against long-term liabilities on the statement of net position	
Subtract: unamortized bond premium	(317,577)
Add: unamortized deferred bond refunding loss	185,922
Net position of governmental activities	<u>\$202,276,256</u>

The accompanying notes are an integral part of the financial statements.

County of Ottawa
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	General	Parks and Recreation	Health	Mental Health	Other Governmental Funds	Total Governmental Funds	
						2013	2012
Revenues							
Taxes	\$38,152,623	\$2,941,638			\$8,434	\$41,102,695	\$40,693,219
Intergovernmental revenues	7,952,614	75,168	\$3,065,004	\$37,088,311	18,828,375	67,009,472	75,638,236
Charges for services	8,883,002	751,138	696,758	340,644	909,647	11,581,189	11,158,863
Fines and forfeits	60,548					60,548	79,085
Investment earnings (loss)	(95,577)	(7,744)		25,275	566	(77,480)	540,901
Licenses and permits	423,144		769,963			1,193,107	1,043,694
Rental income	3,442,554	15,000			1,815,585	5,273,139	5,260,790
Other	641,421	100,534	247,543	922,460	920,234	2,832,192	2,643,273
Total revenue	59,460,329	3,875,734	4,779,268	38,376,690	22,482,841	128,974,862	137,058,061
Expenditures							
Current operations:							
Legislative	395,482					395,482	453,693
Judicial	12,117,675				3,580,721	15,698,396	15,743,611
General government	10,755,035				223,857	10,978,892	10,780,937
Public safety	24,454,635				6,536,169	30,990,804	31,651,485
Public works	347,456				568,875	916,331	1,220,024
Health and welfare	695,298		8,713,367	39,025,159	14,847,190	63,281,014	67,511,605
Community and economic development	703,506				1,460	704,966	737,947
Culture and recreation		3,076,797				3,076,797	4,494,793
Other governmental functions	130,386					130,386	129,846
Debt service	250				2,617,740	2,617,990	2,585,360
Capital projects					2,293,633	2,293,633	
Total expenditures	49,599,723	3,076,797	8,713,367	39,025,159	30,669,645	131,084,691	135,309,301
Revenues over (under) expenditures	9,860,606	798,937	(3,934,099)	(648,469)	(8,186,804)	(2,109,829)	1,748,760
Other financing sources (uses)							
Transfers from other funds	49,356		3,559,851	593,057	5,946,801	10,149,065	10,200,577
Transfers to other funds	(9,687,269)				(49,356)	(9,736,625)	(9,748,417)
Issuance of bonds					5,495,000	5,495,000	
Total other financing sources (uses)	(9,637,913)		3,559,851	593,057	11,392,445	5,907,440	452,160
Net change in fund balances	222,693	798,937	(374,248)	(55,412)	3,205,641	3,797,611	2,200,920
Fund balance, beginning of year,	47,738,947	3,865,181	952,576	412,922	3,051,067	56,020,693	53,819,773
Fund balance, end of year	\$47,961,640	\$4,664,118	\$578,328	\$357,510	\$6,256,708	\$59,818,304	\$56,020,693

The accompanying notes are an integral part of the financial statements.

County of Ottawa
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds \$3,797,611

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

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

Add: capital outlay	2,943,989
Subtract: depreciation expense	(4,556,643)
Subtract: net book value of disposed capital assets in governmental funds	(233,634)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Subtract: bond proceeds	(5,495,000)
Add: principal payments on long-term liabilities	1,690,000
Add: decrease in landfill reclamation liability	116,498
Add: decrease in compensated absences liability	81,259

Accrued interest expense on bonds and the amortization of premiums, and deferred losses are not recorded by governmental funds, but are reported as interest and fiscal charges for government-wide financial statements.

Subtract: increase in accrued interest payable	(24,478)
Subtract: amortization of deferred refunding loss	(46,481)
Add: amortization of premiums on bonds	56,241

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements, but rather are deferred to the following fiscal year

Add: net change in Health Department revenues	51,307
Add: net change in receivable for Community Corrections programs	11,797
Subtract: net change in receivables for the Survey and Remonumentation expedited program	(15,621)

Changes in the net pension and other post-employment benefits assets are not recorded in the fund statements

Add: increase in the net pension asset	36,468
Subtract: decrease in the net other post-employment benefits asset	(4,735)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.

Add: net increase in net position from the governmental activities accounted for in internal service funds	3,160,317
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Change in net position of governmental activities	\$1,568,895
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The accompanying notes are an integral part of the financial statements.

**County of Ottawa
Statement of Net Position
Proprietary Funds
December 31, 2013**

	Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund	Governmental Activities- Internal Service Funds
<u>ASSETS</u>		
Current assets:		
Cash and pooled investments	\$18,982,580	\$12,410,645
Investments		32,259,271
Receivables:		
Delinquent taxes receivable	4,042,305	
Accrued interest and penalties on delinquent taxes	731,297	
Accounts	2,709	275,399
Accrued interest on investments		118,241
Due from other funds		4,770,691
Prepaid expenses		441,059
Total current assets	23,758,891	50,275,306
Noncurrent assets:		
Capital assets:		
Office furniture and equipment		4,927,766
Copy machines		208,804
Telephone equipment		2,208,087
Vehicles		5,033,877
Less accumulated depreciation		(9,320,324)
Net capital assets		3,058,210
Total assets	23,758,891	53,333,516
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	6,476	7,808,872
Interfund payable		563,020
Due to other funds		4,770,691
Due to other governmental units	2,460	132,239
Total current liabilities	8,936	13,274,822
<u>NET POSITION</u>		
Invested in capital assets		3,058,210
Restricted for managed care risk exposure		2,080,354
Restricted for land foreclosure	1,170,787	
Unrestricted	22,579,168	34,920,130
Total net position	\$23,749,955	\$40,058,694

The accompanying notes are an integral part of the financial statements.

County of Ottawa
Statement of Revenue, Expenses and
Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2013

	<u>Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund</u>	<u>Governmental Activities- Internal Service Funds</u>
Operating revenues:		
Charges for services	\$845,280	\$17,702,953
Penalties and interest in delinquent taxes	1,169,825	
Other revenue	89	6,317
Total operating revenues	<u>2,015,194</u>	<u>17,709,270</u>
Operating expenses:		
Personnel services	92,542	2,080,450
Contractual services	104,993	601,646
Supplies	18,765	166,083
Depreciation		1,014,445
Building and equipment rental	1,894,597	72,991
Claims and legal		444,271
Miscellaneous		13,517,361
Total operating expenses	<u>2,110,897</u>	<u>17,897,247</u>
Operating loss	<u>(95,703)</u>	<u>(187,977)</u>
Nonoperating revenues (expenses):		
Investment earnings (loss)	(13,544)	647,549
Net change in the fair value of investments		2,938,976
Gain on sale of capital assets		21,769
Total nonoperating revenues (expenses)	<u>(13,544)</u>	<u>3,608,294</u>
Income (loss) before transfers	<u>(109,247)</u>	<u>3,420,317</u>
Transfers in (out):		
Ottawa County Building Authority - Debt Service	(150,000)	(300,000)
General Fund		40,000
Total transfers	<u>(150,000)</u>	<u>(260,000)</u>
Change in net position	(259,247)	3,160,317
Total net position, beginning of year	24,009,202	36,898,377
Total net position, end of year	<u>\$23,749,955</u>	<u>\$40,058,694</u>

The accompanying notes are an integral part of the financial statements.

**County of Ottawa
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013**

	<u>Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund</u>	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from interfund services provided		\$17,838,185
Cash receipts from customers	\$8,638,599	
Cash received from penalties and interest on delinquent taxes	1,454,576	
Cash payments to suppliers for goods and services	(2,025,143)	(13,701,285)
Cash payments for self-funded insurance claims		(1,117,449)
Cash payments to employees for services	(92,542)	(2,077,995)
Purchase of delinquent tax rolls	<u>(7,310,010)</u>	
Net cash provided by (used for) operating activities	<u>665,480</u>	<u>941,456</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in from other funds		145,079
Transfers out to other funds	<u>(150,000)</u>	<u>(300,000)</u>
Net cash used for noncapital financing activities	<u>(150,000)</u>	<u>(154,921)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets		(1,200,946)
Proceeds from sale of equipment		21,769
Return of bond reserve from component unit	<u>81,180</u>	
Net cash used for capital and related financing activities	<u>81,180</u>	<u>(1,179,177)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments		(23,335,186)
Interest on investments	146,963	685,986
Proceeds from sale of investments		<u>21,693,258</u>
Net cash provided by investing activities	<u>146,963</u>	<u>(955,942)</u>
Net decrease in cash and pooled investments	743,623	(1,348,584)
Cash and pooled investments, beginning of year	<u>18,238,957</u>	<u>13,759,229</u>
Cash and pooled investments, end of year	<u><u>\$18,982,580</u></u>	<u><u>\$12,410,645</u></u>

The accompanying notes are an integral part of the financial statements.

(Continued on next page)

**County of Ottawa
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013**

	<u>Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(\$95,703)	(\$187,977)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation		1,014,445
Change in assets and liabilities not affecting cash provided by (used for) operating activities:		
(Increase) decrease in receivables	765,262	(38,120)
(Increase) decrease in inventory		55,826
(Increase) decrease in prepaid expenses	4,080	(23,969)
Increase (decrease) in unpaid claims liability		78,640
Increase (decrease) in accounts payable	(7,599)	15,259
Increase (decrease) in due to other funds		69,529
Increase (decrease) in due to other governmental units	(560)	(42,177)
Net cash provided by (used for) operating activities	<u>\$665,480</u>	<u>\$941,456</u>
		<i>(Concluded)</i>

Noncash investing activities:

The change in fair value of investments for the internal service funds was \$2,938,976.

The accompanying notes are an integral part of the financial statements.

COUNTY OF OTTAWA

FIDUCIARY FUNDS

**STATEMENT OF FIDUCIARY NET POSITION
December 31, 2013
(with comparative totals for December 31, 2012)**

	Other Post-Employment Benefit Plan		Agency Funds	
	2013	2012	2013	2012
ASSETS				
Cash and pooled investments	\$4,333		\$3,821,684	\$3,328,585
U.S. Government securities		\$15,427		
U.S. Government agencies	404,026	219,363		
Corporate Bonds	644,035	587,784		
Mutual funds				
Money Market Mutual Funds	237,143	308,504		
Fixed income	187,583	190,331		
Domestic Equity	2,905,959	2,396,948		
International Equity	112,245	107,631		
Receivables:				
Accounts			152,796	435,422
Due from other governmental units			62,439	159,328
Total assets	4,495,324	3,825,988	\$4,036,919	\$3,923,335
 LIABILITIES				
Liabilities:				
Due to other governmental units:				
Due to State of Michigan			\$1,217,234	\$1,204,510
Fines and fees due to local libraries			462,962	438,088
Agency deposits			2,356,723	2,280,737
Total liabilities			\$4,036,919	\$3,923,335
 Net Position held in trust for other post-employee benefits	 \$4,495,324	 \$3,825,988		

The accompanying notes are an integral part of the financial statements.

County of Ottawa
Statement of Changes in Plan Net Position
Fiduciary Funds
For the Year Ended December 31, 2013

	Other Post-Employment Benefit Plan	
	2013	2012
Additions		
Contributions:		
Employer	\$202,931	\$215,465
Plan member	406,849	372,620
Investment income (loss)	623,956	353,472
Total Additions	<u>1,233,736</u>	<u>941,557</u>
Deductions		
Administrative expense	49,225	45,292
Premiums	515,175	477,590
Total Deductions	<u>564,400</u>	<u>522,882</u>
Total Net increase	669,336	418,675
Net Position held in trust for other post employee benefits		
Beginning of year	<u>3,825,988</u>	<u>3,407,313</u>
End of Year	<u><u>\$4,495,324</u></u>	<u><u>\$3,825,988</u></u>

The accompanying notes are an integral part of the financial statements.

**County of Ottawa
Component Units
Combining Statement of Net Position
December 31, 2013**

	Component Units					Total
	Ottawa County Road Commission	Ottawa County Central Dispatch Authority	Ottawa County Public Utilities System	Ottawa County Land Bank Authority	Ottawa County Office of the Water Resources Commissioner	
ASSETS						
Current assets:						
Cash and pooled investments	\$4,518,842	\$8,548,325	\$7,900,936	\$65,286	\$954,091	\$21,987,480
Receivables (net of allowance for estimated uncollectibles):						
Accounts	60,767		2,680,470			2,741,237
Due from other governments: due within one year	5,114,694	177,938			655,207	5,947,839
Inventory of supplies	1,099,412		8,040			1,107,452
Prepaid items	222,275	193,828				416,103
Total current assets	<u>11,015,990</u>	<u>8,920,091</u>	<u>10,589,446</u>	<u>65,286</u>	<u>1,609,298</u>	<u>32,200,111</u>
Noncurrent assets:						
Net pension asset	300,000					300,000
Due from other governments: due after one year			109,783,952		2,218,010	112,001,962
Capital assets not being depreciated	1,861,367					1,861,367
Capital assets being depreciated, net	180,612,718	5,901,700			27,003,354	213,517,772
Total noncurrent assets	<u>182,774,085</u>	<u>5,901,700</u>	<u>109,783,952</u>	<u></u>	<u>29,221,364</u>	<u>327,681,101</u>
Total assets	<u>193,790,075</u>	<u>14,821,791</u>	<u>120,373,398</u>	<u>65,286</u>	<u>30,830,662</u>	<u>359,881,212</u>
LIABILITIES						
Current liabilities						
Accounts payable	2,520,456	1,449,327	3,127,862		157,644	7,255,289
Interest payable			1,296,900		21,782	1,318,682
Due to component units	26,472		243,720			270,192
Due to other governments		9,369				9,369
Notes payable					150,000	150,000
Current portion of long-term debt	209,538		5,891,000		383,366	6,483,904
Advances from primary government			150,000		175,000	325,000
Advances from other governments	427,020					427,020
Total current liabilities	<u>3,183,486</u>	<u>1,458,696</u>	<u>10,709,482</u>	<u></u>	<u>887,792</u>	<u>16,239,456</u>
Noncurrent liabilities:						
Noncurrent portion of long-term obligations	2,084,704	100,911	109,039,591		2,127,532	113,352,738
Total noncurrent liabilities	<u>2,084,704</u>	<u>100,911</u>	<u>109,039,591</u>	<u></u>	<u>2,127,532</u>	<u>113,352,738</u>
Total liabilities	<u>5,268,190</u>	<u>1,559,607</u>	<u>119,749,073</u>	<u></u>	<u>3,015,324</u>	<u>129,592,194</u>
NET POSITION						
Invested in capital assets, net of related debt	182,474,085	5,901,700			24,342,456	212,718,241
Restricted for:						
Debt Service					610,476	610,476
Capital projects	2,981,393		69,771		751,192	3,802,356
State of Michigan public act restrictions		30,213				30,213
Infrastructure maintenance			554,462		55,244	609,706
Unrestricted	3,066,407	7,330,271	92	65,286	2,055,970	12,518,026
Total net position	<u>\$188,521,885</u>	<u>\$13,262,184</u>	<u>\$624,325</u>	<u>\$65,286</u>	<u>\$27,815,338</u>	<u>\$230,289,018</u>

The accompanying notes are an integral part of the financial statements.

**County of Ottawa
Component Units
Combining Statement of Activities
For the Year Ended December 31, 2013**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue	
			Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Component units						
Ottawa County Road Commission	\$26,378,900		\$7,690,423	\$16,780,933	\$4,582,063	\$2,674,519
Ottawa County Central Dispatch Authority	4,637,143		41,399	4,790,662		194,918
Ottawa County Public Utilities	22,749,523		22,837,450			87,927
Ottawa County Land Bank Authority						
Ottawa County Office of the Water Resources Commissioner	920,399				1,391,499	471,100
Total component units	\$54,685,965		\$30,569,272	\$21,571,595	\$5,973,562	\$3,428,464

(Continued on next page)

**County of Ottawa
Component Units
Combining Statement of Activities (Concluded)
For the Year Ended December 31, 2013**

	Component Units					Total
	Ottawa County Road Commission	Ottawa County Central Dispatch Authority	Ottawa County Public Utilities	Ottawa County Land Bank Authority	Ottawa County Office of the Water Resources Commissioner	
Primary Government:						
Changes in net position:						
Net (expense) revenue	\$2,674,519	\$194,918	\$87,927		\$471,100	\$3,428,464
General Revenues:						
Investment earnings	19,624	(10,937)	4,175	\$65,286	(1,352)	76,796
Miscellaneous	70,280					70,280
Total general revenues and transfers	89,904	(10,937)	4,175	65,286	(1,352)	147,076
Change in net position	2,764,423	183,981	92,102	65,286	469,748	3,575,540
Net position - beginning of year	185,757,462	13,078,203	532,223		27,345,590	226,713,478
Net position - end of year	<u>\$188,521,885</u>	<u>\$13,262,184</u>	<u>\$624,325</u>	<u>\$65,286</u>	<u>\$27,815,338</u>	<u>\$230,289,018</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ottawa, Michigan (the "County") was incorporated in 1837 and covers an area of approximately 565 square miles with the County seat located in the City of Grand Haven. The County operates under an elected Board of Commissioners (11 members) and provides services to its estimated 272,701 residents in many areas including law enforcement, administration of justice, community enrichment and development and human services.

The financial statements of the County have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting entity

The accompanying financial statements present the County (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations, so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County.

Blended Component Units

The Building Authority is governed by a three-member board appointed by the Ottawa County Board of Commissioners. Its sole purpose is to finance and construct the County's public buildings. It is reported in the appropriate fund categories of Debt Service and Capital Projects and has a December 31 year-end. A separate report is not prepared for the Building Authority.

The Ottawa County, Michigan Insurance Authority is a separate legal entity organized for the purpose of providing insurance coverage and risk management and related services to public entities in the County of Ottawa, Michigan pursuant to State of Michigan Act No. 36 of the Public Acts of 1988. The governing board consists of one appointed and four elected officials of the County and one appointed official from each other participating public entity. The County and the Building Authority are currently the only participating entities. The Insurance Authority is reported in an internal service fund and has a December 31 year-end.

Complete financial statements for the Insurance Authority can be obtained from:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting entity (continued)

Fiscal Services Director
Ottawa County
12220 Fillmore Street, Room 331
West Olive, MI 49460

Discretely Presented Component Units

The Ottawa County Road Commission was established pursuant to the County Road Law (MCL 224.1). The governing board is appointed by the Ottawa County Board of Commissioners. The Road Commission deposits receipts with and has investments through the County. It may not issue debt or levy a tax without the approval of the County Board of Commissioners. If approval is granted, Road Commission taxes are levied under the taxing authority of the County, as approved by the County electors, and would be included as part of the County's total tax levy. The Road Commission has a September 30 year-end.

The Ottawa County Public Utilities System's governing board is appointed by the Ottawa County Board of Commissioners. The Public Utilities System deposits receipts with and invests through the County. It is fiscally dependent upon the County because the County Board must approve debt issuances of Public Act 342 bonds. The Ottawa County Public Utilities System has a December 31 year-end.

Complete financial statements for the Road Commission and the Public Utilities System can be obtained from:

Finance Director
Ottawa County Road Commission
P.O. Box 73932
Grand Haven, MI 49417

The Ottawa County Central Dispatch Authority is governed by an eight-member board with two members appointed by the County's Board of Commissioners. It is financially accountable to the County as a result of fiscal dependency. It cannot levy taxes or issue bonded debt without approval of the County. The services provided cover all County residents and the County levies a property tax of .44 mills to finance the operations of the Dispatch Authority. The Dispatch Authority has a December 31 year-end.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting entity (continued)

Complete financial statements for the Dispatch Authority can be obtained from:

Director
Ottawa County Central Dispatch Authority
12101 Stanton Street
West Olive, MI 49460

Ottawa County Office of the Water Resources Commissioner drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage and dispose of real and personal property, etc. The Office of the Water Resources Commissioner is considered to be a component unit of the County because the County has the ability to significantly influence operations and has accountability for fiscal matters. Specifically, the County Board of Commissioners formally approves the Water Resources Commissioner's budget and all financial management functions are performed by the County. The statutory drainage board of Chapter 20 drainage districts consists of the Water Resources Commissioner, the Chair of the County Board of Commissioners and one other member of the Board of Commissioners. The statutory drainage board of Chapter 6 and 21 drainage districts consists of the State Director of Agriculture and the Water Resources Commissioner of each county involved in the project. The Water Resources Commissioner has sole responsibility to administer the drainage districts established pursuant to Chapter 4 and 8 of the Drain Code. The drainage board or Water Resources Commissioner, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district.

Complete financial statements for the Office of the Water Resources Commissioner can be obtained from:

Fiscal Services Director
Ottawa County
12220 Fillmore Street, Room 331
West Olive, MI 49460

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting entity (continued)

The Ottawa County Land Bank Authority was established pursuant to the Michigan Land Bank Fast Track Act, 2003 P.A. 258, 124.751 and the intergovernmental agreement by and between the Michigan Land Bank Fast Track Authority and the Treasurer of the County of Ottawa. The governing board consists of the Treasurer of the County of Ottawa and eight additional members appointed by the Ottawa County Board of Commissioners. The Authority has the power to contract, to sue and be sued, to hold, manage and dispose of property, etc. Although funding for the Authority is designed to come from the eventual sale of properties, the County Board has enabled the Authority to borrow up to \$50,000 from the County's Delinquent Tax Revolving fund as needed, interest free. The Land Bank Authority has a December 31 year-end. A separate report is not prepared for the Ottawa County Land Bank Authority.

The Economic Development Corporation of the County of Ottawa (EDC) was established pursuant to the Economic Development Corporations Act (Act 338, Public Acts of 1974, as amended) and is a separate legal entity. The EDC's governing board is appointed by the Ottawa County Board of Commissioners. The County was required to hold a public hearing and approve the bonds issued in 2011 in compliance with the Internal Revenue Code. Neither the EDC nor the County is obligated in any way for the payment of these bonds. The EDC has a June 30 year-end, but no financial activity occurred during 2013.

B. Funds with Other Year Ends

The financial statements of the Friend of the Court, Health, Mental Health, Department of Human Services, and Child Care – Circuit Court, (included with Governmental Funds and reflecting total assets and revenues of 10.63% and 38.64%, respectively, of the Governmental Fund totals) and the Protected Self-Funded Insurance-Mental Health Fund (included with Internal Service Funds and reflecting total assets and revenues of 4.3% and 0.0%, respectively, of the related fund type totals) have been included in the accompanying 2013 financial statements using their fiscal year ended September 30, 2013.

The remaining funds have been included in the accompanying financial statements using their fiscal year ended December 31, 2013.

Interfund balances, due to/from account balances, indirect expense allocations, as well as transfers, do not agree across all funds due to the different year ends reported in these financial statements.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, exceptions to this general rule are charges between enterprise functions and other various functions of the government and interfund balances remaining due to the different year ends reported in the funds. Elimination of these charges would distort costs and program revenues for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* are charged based upon a County-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues 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.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund statements. The fiduciary fund financial statements are reported using the *accrual basis of accounting* and the *economic resources measurement focus* (agency funds do not utilize a measurement focus). Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1 of the following year, the Delinquent Tax Revolving Fund pays the County for any real outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement focus, basis of accounting, and financial statement presentation (continued)

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, landfill closure costs and compensated absences are recorded only when payment is due.

Intergovernmental revenue, charges for services, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The County considers these to be available if received within 180 days of year end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. With the implementation of GASB statement # 54, Fund Balance Reporting and Governmental Fund Type Definitions, certain funds which had been Special Revenue funds have been combined with the General Fund. These funds include:

Solid Waste Clean-Up Fund (2271) – This fund was established to account for monies received from settlement of a claim. The monies are mainly used for the clean-up of the Southwest Ottawa Landfill.

Infrastructure Fund (2444) – This fund was established by the County Board to provide financial assistance to local units of government for water, sewer, road and bridge projects that are especially unique, non-routine, and out-of-the ordinary.

Public Improvement Fund (2450) – This fund is used for earmarked revenues set aside for public improvements. Funding is provided from General Fund appropriations and building rentals.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement focus, basis of accounting, and financial statement presentation (continued)

DB/DC Conversion Fund (2970) – This fund was established by the County Board to set aside funds needed for startup costs associated with moving new hires to a defined contribution retirement system.

Compensated Absences Fund (2980) – This fund is used to account for future payments of accumulated sick pay of County employees under the sick days/short and long-term disability plan. This fund is also used to accrue vacation pay.

Stabilization Fund (2570) – This fund was established to assure the continued solid financial condition of the County in case of emergency.

Parks and Recreation Fund (2081) – This fund was established for the development, maintenance, and operation of Ottawa County parks. Funding is provided by State grants and user charges. A millage of .33 mills to support this fund was re-approved by the County electorate during 2006 for ten years and expires in 2016.

Health Fund (2210) – This fund is used to account for monies received from Federal, State, and local grants and County appropriations. These monies are utilized in providing a variety of health-related services to County residents.

Mental Health Fund (2220) – This fund is used to account for monies to provide mental health services within the County. Monies are provided by Federal, State and County appropriations, contributions and charges for services.

The County reports the following major proprietary fund:

Delinquent Tax Revolving Fund (5160) – This Enterprise Fund is used to pay each local governmental unit, including the County General Fund, the respective amount of delinquent taxes not collected as of March 1 of each year. Financing is provided by subsequent collection of delinquent property taxes by the County Treasurer.

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for revenue from specific revenue sources (other than fiduciary or major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement focus, basis of accounting, and financial statement presentation (continued)

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Capital Projects Fund* accounts for construction projects of the Building Authority.

The *Permanent Fund* is used to record the activity of the Cemetery Trust which provides funds for perpetual care of cemetery lots.

Internal Service Funds account for data processing, equipment purchases, and insurance coverage provided to County departments on a cost reimbursement basis.

The *OPEB Trust Fund* is used to account for the activity of the County's other post employment benefit program.

Agency Funds are used to account for assets held on behalf of outside parties, including other governments. The majority of the balances in the Agency funds represent payments collected on behalf of the State of Michigan and other governmental agencies.

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 Delinquent Tax Revolving enterprise fund are interest and penalties on delinquent taxes. The principal operating revenues of the County's internal service funds are charges to County departments for equipment amortization and insurance coverage. Operating expenses for the enterprise fund include costs associated with the collection of delinquent taxes and rent payments for certain County facilities designed to pay the debt obligations of the related bond issue. Operating expenses for the internal service funds include the cost of services (including premiums and claims), administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Assets, liabilities, and net position or equity

1. Cash and pooled investments

For purposes of the statement of cash flows, the County considers all assets held in the cash and investment pool to be cash equivalents because the investments are not identifiable to specific funds and the assets can be withdrawn at anytime, similar to a demand deposit account. The

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net position or equity (continued)

1. Cash and pooled investments(continued)

investments of the County investment pool consist primarily of U.S. treasuries, U.S government agency securities, commercial paper, certificates of deposit, local government investment pools, and mutual funds.

Investments of the Insurance Authority and Other Post Employment Benefit Plan trust consist of U.S. government and U.S. government agency securities and corporate securities. All investments are recorded at fair value.

2. Receivables, payables and due from other governments

During the course of operations, numerous transactions occur between individual funds and/or between the primary government and component units for goods provided or services rendered. These receivables and payables are classified as "due from other funds/component units" or "due to other funds/component units" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property taxes for general County operations are levied as of July 1 (lien date) on property values assessed as of the same date. Property taxes for Parks and the Ottawa County Central Dispatch Authority are levied December 1 (lien date) on property values assessed as of the same date. The taxes levied December 1 are due on February 14 of the following year and taxes levied July 1 are due on September 14 after which the applicable property is subject to penalties and interest.

Other accounts receivable is shown net of the allowance for estimated uncollectibles. For the mental health receivables, an allowance of \$297,169 has been established. For the jail and inmate housing receivable and various other receivables an allowance of \$1,006,979 has been established.

Due from other governments due after one year consist of the long-term portion of loans made to local units. During 2013, no new loans were issued. However, during 2006, the County provided \$500,000 to Coopersville Township for infrastructure projects out of the County's Infrastructure Revolving Loan Fund Program. This loan will be repaid over 10 years, at 3% interest, with the Township's obligated funds for major roads.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net position or equity (continued)

2. *Receivables, payables and due from other governments (continued)*

During 2005, the County provided \$950,000 to Tallmadge Township for infrastructure projects out of the County's Infrastructure Revolving Loan Fund Program. This loan will be repaid over 10 years, at 3% interest, with the Township's Water and Sewer Fund dollars.

These loans are recorded in the Infrastructure Fund which is consolidated with the General Fund for financial reporting purposes. As of December 31, 2013, the gross amount of these outstanding loans reported in governmental funds was \$352,801. No allowance has been established for these loans.

3. *Advances to other funds*

Noncurrent portions of long-term interfund loans receivable in governmental funds are reported as advances and are offset by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

4. *Inventories and prepaids*

Inventories are valued at cost on the first-in / first-out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased. Payments made to vendors for services that will benefit periods beyond a fund's fiscal year-end are recorded as prepaid in both government-wide and fund financial statements. Prepaid items are recorded as expenditures when consumed rather than when purchased.

5. *Restricted Net Position*

Under Act 30, Public Acts of 1978, the use of the fund balance of the Stabilization Fund (consolidated with the General Fund) in the amount of \$9,041,610 is restricted to 1) cover a deficit, 2) prevent a reduction in the level of public services or number of employees in the current or next fiscal year, or 3) cover expenses arising from a natural disaster. In addition, Under Act 136, Public Acts of 1956 (Sections 141.261-141.263, Compiled Laws of 1979), the fund balance of the Public Improvement Fund (consolidated with the General Fund) in the amount of \$3,858,613 is restricted for statutory Public Improvement.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net position or equity (continued)

5. *Restricted Net Position (continued)*

The fund balance of the Parks and Recreation Fund (Special Revenue Fund 2081) is comprised mainly of unused revenue from a specially designated tax levy. Hence, the entire \$4,664,118 is restricted.

The fund balance of the ROD Technology Fund (Special Revenue Fund 2560) in the amount of \$574,192 is restricted for technology upgrades under Act 698, Public Acts of 2002.

The fund balance of the Homestead property tax fund (Special Revenue Fund 2550) in the amount of \$2,599 is restricted for administration of the program Under Act 105, Public Acts of 2003.

The use of the \$5,770 in fund balance of the Cemetery Trust is restricted to the perpetual care of certain cemetery lots.

The net position of the Protected Self-Funded Insurance – Mental Health (Internal Service Fund 6782) is restricted for mental health programs which equals \$2,080,354.

It is the County's policy to spend restricted resources first if it meets the criteria of the restricted net position and use unrestricted resources when the restricted funds are depleted.

The discretely presented component units also have certain restrictions on net position. Specifically, the Ottawa County Road Commission has restricted \$2,981,393 for primary and local road construction and maintenance. The Water Resources Commissioner has restricted \$610,476 for debt service, \$751,192 for capital projects and \$55,244 for general drain maintenance. The Ottawa County Central Dispatch has restricted \$30,213 for training. Lastly, Ottawa County Public Utilities has restricted \$554,462 for operations and maintenance and \$69,771 for capital projects.

6. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. For the County, infrastructure exists in the Road Commission and the Office of the Water Resources Commissioner component units. The capitalization threshold ranges from \$1,000 - \$25,000. Capital assets are defined by the primary

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net position or equity (continued)

6. Capital assets (continued)

government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The amount reported for infrastructure includes assets acquired or constructed since 1980. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds. Depreciation of the capital assets (including infrastructure) of the primary government, as well as the component units, is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	25
Buildings	25 - 50
Office furniture and equipment	3 - 20
Vehicles	3 - 10
Infrastructure	30

7. Self-insurance claims incurred but not reported

At December 31, 2013 the County has several Internal Service funds which account for various uninsured risks. The County is self-insured up to certain limits, which vary by type of risk, and purchases reinsurance to cover claims in excess of those limits. The County records estimates of self-insurance claims incurred but not reported as of December 31 based on historical trend information, claims reported subsequent to year end, actuarial valuations and/or professional judgment. Such estimates are included in accounts payable.

8. Compensated absences

Substantially all County employees are granted vacation and sick leave in varying amounts based on length of service. Vacation pay is fully vested when earned and accrued in the government-wide financial statements. Employees are granted varying amounts of sick days annually and may accumulate up to a maximum of 12 to 15 days. Unused sick leave accumulated under the

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net position or equity (continued)

8. *Compensated absences (continued)*

current plan is forfeited upon termination or retirement. Therefore, no liability for unpaid accumulated sick leave is recorded. All employees except judges and elected officials are covered under short and long-term disability benefits if an illness lasts longer than 10 working days or six months, respectively.

Employees who accumulated sick days under the County's prior sick leave policy before moving into the current plan have been allowed to bank up to 120 hours of their sick days accumulated under the prior plan in a holding account at the pay rate in effect when they entered the current plan. Employees' accounts earn interest annually at the average rate earned by the County Treasurer. Employees with at least ten years of continuous service are paid for accumulated sick days in full upon death or retirement and at the rate of 50% of accumulated benefits upon termination for reasons other than death or retirement.

A liability for this amount is accrued and reported in the government-wide financial statements. The County estimates that the maximum liability for unpaid and unused sick leave would be approximately \$200,762 at December 31, 2013 if all employees who accumulated sick leave under the prior plan retired. Only the portion of this liability that has matured is recognized as a current liability. An actuarial estimate of the amount payable to employees upon retirement at December 31, 2013 is \$200,278 and is funded in the General Fund with corresponding committed and assigned fund balance. On the government-wide statements, however, the liability for compensated absences is included in the non-current portion of long-term obligations.

The County has fully funded its vacation pay liability. The vacation pay expenditure/expense was recorded in each fund, and this amount was transferred and recorded in the General Fund with corresponding committed and assigned fund balance. An adjustment was made at December 31, 2013 to reflect the change in the accumulated balance to \$2,597,393.

Under the Road Commission's personnel policy and contracts negotiated with employee groups, individual employees have a vested right to receive payments for unused vacation and sick leave under formulas and conditions specified in the policy and contracts. Accumulated leave of the General Fund is recorded on the statement of net position and not on the General Fund balance sheet because it is not expected to be liquidated with expendable available financial resources.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net position or equity (continued)

8. *Compensated absences (continued)*

The Central Dispatch Authority's personnel policy and employment agreements provide employees a vested right to receive payments for unused vacation leave under formulas and conditions specified in the policy and agreements. Accumulated leave of the General Fund is recorded on the statement of net position and not on the General Fund balance sheet because it is not expected to be liquidated with expendable available financial resources.

9. *Deferred compensation plan*

The County, the Road Commission and the Central Dispatch Authority offer to their employees several different deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to County and Dispatch Authority employees with various options and employer contribution requirements depending on which bargaining unit the employee is a member. All plans permit employees to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Central Dispatch Authority employee contributions were \$50,350 and Authority match was \$10,916 for the current year. The County employee contributions for 2013 were \$1,970,315 and the County match was \$291,275.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of participants and their beneficiaries. Investments are managed by the plans' trustees, under one of several investment options, or combination thereof. The choice of the investment option(s) is made by the participants or the investment manager at the option of the employee. As the assets of the trust are managed by the plans trustees, and the County does not have fiduciary responsibility. The plan assets are not recorded in the financial statements of the County.

10. *Employee Retirement Plans*

The County, the Road Commission and the Dispatch Authority have contributory pension plans covering substantially all of their employees. The plans are funded through annual contributions to the Michigan Municipal Employees' Retirement System in amounts sufficient to fund the normal cost of the plans and to amortize prior service cost.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net position or equity (continued)

11. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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.

12. Fund equity

The County implemented the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, in the 2011 financial statements. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

In the fund financial statements, governmental funds report fund balance in five categories:

1. Non spendable fund balance cannot be spent because it is either a) not in spendable form or b) legally or contractually required to be maintained intact.
2. Restricted fund balance can only be spent for specific purposes due to a) externally imposed by grantors, creditors, contributors, of laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balance can only be spent for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The Board is the highest level of decision-making authority for the government

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net position or equity (continued)

12. Fund equity (continued)

that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

4. Assigned fund balance is constrained by the government's intent to be used for specific purposes but has not been formally committed by Board action or restricted in any way. Through the County's fund balance policy, the Board has delegated the authority to assign fund balance to the County Administrator.
5. Unassigned fund balance is the residual classification for the General Fund. Except for funds with negative fund balance, only the General Fund has assigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the County's policy to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the County's policy that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

In addition, it is the County's policy to maintain a fund balance in the General Fund of not less than 10% and not more than 15% of the most recently audited General Fund expenditures and transfers out for cash flow and flexibility purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. Details on the County's fund balance amounts follow:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net position or equity (continued)

	General Fund	Parks and Recreation Fund	Health Fund	Mental Health Fund	Other Governmental Funds
Nonspendable:					
Inventory and prepaid expenditures	\$138,956	\$14,190	\$224,449	\$184,201	\$40,379
Perpetual cemetery care- corpus portion					5,770
Long-term advances to other funds and component units	325,000				
Infrastructure loans	352,800				
Total Nonspendable	\$816,756	\$14,190	\$224,449	\$184,201	\$46,149
Restricted:					
Jail booking fees	\$321,757				
Marriage counseling	52,823				
Donations	77,328				
Grant restrictions	29,282				
Stabilization	9,041,610				
Substance abuse	791,193				
Veterans affairs					\$23,258
Classroom fees					5,020
Cemetery trust					67
Parks & recreation levy		\$4,649,928			
Mental health				\$173,309	
Capital Projects					3,162,866
Public improvement - State restrictions	3,858,613				
Homestead property tax - State restrictions					2,599
Register of deeds technology - State restrictions					574,192
Michigan Works!/Community Action Agency - program income					156,564
Total Restricted	\$14,172,606	\$4,649,928		\$173,309	\$3,924,566
Committed:					
Aerial survey	\$867,274				
Voting machines	149,353				
Substance abuse	799,480				
Building improvements	3,268,449				
Veterans' affairs	4,050				
Red pine timber sales	202,481				
Mental health programs	581,275				
Technology improvements	115,783				
New Initiatives	1,000,000				
Solid waste clean-up	4,327,778				
Infrastructure	1,426,352				
DB/DC conversion	4,656,974				
Farmland preservation					\$604
Brownfield redevelopment					293
Compensated absences	2,797,671				
Total Committed	\$20,196,920				\$897

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net position or equity (continued)

12. Fund equity (continued)

	General Fund	Parks and Recreation Fund	Health Fund	Mental Health Fund	Other Governmental Funds
Assigned:					
Law library	\$17,301				
Succeeding year's budget budget deficit	950,430				
Water quality forum	1,188				
Strategic planning fees	500				
Hope College bond issue reimbursement-admin fees	16,857				
Planning commission	168,888				
Other post employment benefits	894,142				
ERP project	16,273				
Circuit Court strategic planning					
Local police academy	1,524				
Compensated absences	504,426				
4 C program	170,683				
Energy Rebates	8,197				
Public health			\$353,879		
Landfill tipping fees					\$1,092,093
Community corrections	106,696				
Dept of Human Services					28,532
Child Care - Circuit Court					1,164,471
Total Assigned	\$2,857,105		\$353,879		\$2,285,096

13. Comparative data/reclassifications

Presentation of comparative total data for the prior year have been presented when available in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

The General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds are under formal budgetary control.

Formal budgetary integration is employed as a management control device during the year for governmental funds. Formal budgetary integration is not employed for other funds; however, informational summaries are prepared and presented to the Board for consideration for proprietary fund types. 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. Budgets, as presented for these funds in the accompanying financial statements, were prepared on the modified accrual basis of accounting. The County does not use encumbrances in its accounting system.

The Fiscal Services Director presents the budget requests for the succeeding fiscal year to the County Administrator in August. The Administrator, Fiscal Services Director and Budget/Audit Manager meet with all department heads during August to review and discuss the requested revenue and expenditures levels. The Fiscal Services Director presents initial budget information to the Board of Commissioners at a work session following the second Board Meeting in August. A proposed budget with balancing options, if required, is presented at the Board of Commissioners Work Session following the first board meeting in September. The preliminary budgets for all funds are presented to the Finance Committee in September and the Board of Commissioners Work Session following the second board meeting in September. A public hearing and formal budget presentation is held at the first Board Meeting in October to provide any county resident with an opportunity to discuss the budget with the Board prior to approval. The budget, and an appropriation ordinance implementing it, is approved by the Finance Committee and forwarded to the Board for approval at the second Board Meeting in October. A separate budget report is then made available to the public.

Budgets for the current year are continually reviewed for any required revisions of original estimates. Proposed increases or reductions in appropriations are presented to the Finance Committee and the Board for their action. The Board amends the general appropriation act as soon as it becomes apparent this action is necessary. The budgetary information as presented herein has been amended by official actions of the Finance Committee and/or County Board of Commissioners.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary information (continued)

Transfers of any unexpended budget balance, or any portion thereof, to any other appropriation account may not be made without approval by the Finance Committee with certain exceptions. The Board has delegated authority to the Administrator and Fiscal Services Director to approve budget transfers within a fund if the amount to be transferred does not exceed \$50,000.

Budgetary control over expenditures is maintained on a departmental basis with a handful of exceptions, which is the legal level of control. A separate budgetary report is prepared which demonstrates compliance at the legal level of control and is available to the public in the County Clerk's office. Expenditures may not legally exceed budgeted amounts and certain Special Revenue Funds expenditures must be in accordance with the respective agreements with Federal and State grantor agencies. All budget appropriations lapse at the end of each fiscal year unless specific Board action is taken.

B. Excess of expenditures over appropriations

Certain funds experienced overages where expenditures exceeded budget amounts. These expenditures were permitted either because the County was assured of reimbursement from an outside party (grants) or because the funds had sufficient fund balance to cover the overage. In the General Fund, other government expenditures were over budget due to contingency expenditures identified after the last budget adjustment was made. The bond fees associated with a new debt issuance were not anticipated in 2013. The budget for the transfer to the Health fund was predicated on the receipt of Medicaid cost settlement revenue, but that did not occur before the year was closed.

In the Other Governmental Grants fund (2180), a transportation grant was over budget due to accrual variances and the budget for an adult drug court grant which covered the period October 2013 through September 2014 was not established before December 2013. In both cases, there were matching revenues to pay for the expenditures.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposit and investment balances at year-end are as follows:

	Primary Government	Component Units	Total
Cash on hand	\$18,403	\$260	\$18,663
Carrying amount of checking and savings accounts	15,108,263	16,985,898	32,094,161
Carrying amount of certificates of deposit	36,526,814		36,526,814
Carrying amount of investments	41,861,606	5,001,322	46,862,928
Carrying amount of investments - Ottawa County Other Post Employment Benefit Plan	4,490,991		4,490,991
Carrying amount of investments - Ottawa County Insurance Authority	32,259,271		32,259,271
Total	\$130,265,348	\$21,987,480	\$152,252,828
Statement of net position			
Cash and pooled investments	\$89,689,069	\$21,987,480	\$111,676,549
Investments	32,259,271		32,259,271
Statement of fiduciary net position			
Cash and pooled investments	3,826,017		3,826,017
Investments	4,490,991		4,490,991
Total	\$130,265,348	\$21,987,480	\$152,252,828

The County's investments, as well as the investments of Ottawa County Public Utilities handled by the County, are stated at fair value which is determined as follows: (a) securities are priced by FTI, an on-line pricing service, as of the end of each business day and (b) investments that do not have established market values are reported at estimated fair value.

Michigan statutes authorize the County to invest in bonds, other direct obligations and repurchase agreements of the United States, certificates of deposit, savings accounts, deposit accounts or receipts of a bank which is a member of the FDIC, commercial paper, bankers' acceptances of United States banks, obligations of the State of Michigan and its political subdivisions, external investment pools, and certain mutual funds. The County's investment policy, last amended in November of 2010, allows for all of these types of investments.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

The Ottawa County Other Post Employment Benefit Plan can utilize all investment options allowed for the County as well as equity, corporate securities, and foreign investment. The Ottawa County Insurance Authority investment policy allows for all of the investment types authorized for the County as well as investment grade fixed income securities, common stock of U.S. companies, and foreign investment.

Investments are stated at fair value which is determined as follows: (a) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates and (b) investments that do not have established market values are reported at estimated fair value.

The majority of the County departments participate in the internal investment pool. However, the following programs/organizations also maintain separate cash and/or investments:

Ottawa County Insurance Authority
Ottawa County Road Commission
Ottawa County Public Utilities System
Ottawa County Central Dispatch Authority
Ottawa County Building Authority
Ottawa County Water Resources Commissioner Munn Drain Debt Service and Capital Projects
Ottawa County Water Resources Commissioner Nunica Drain Debt Service
Ottawa County Other Post Employment Benefit Plan

The County chooses to disclose its investments by Weighted Average Maturity. As of December 31, 2013, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
Money Market Fund (MMF)	\$2,498,916	N/A
Commercial Paper	1,999,426	0.0822
Municipal Bonds	8,289,569	2.7571
Agency - FFCB	4,786,130	3.6602
Agency - FNMA	5,361,245	4.0483
Agency - FHLB	2,002,860	1.2575
Treasury Note	16,923,460	3.2028
	<u>\$41,861,606</u>	
Portfolio Weighted Average Maturity (excluding MMF)		2.5014

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

Cash and investments held by the County for these component units consist of the following at year end:

	Ottawa County Public Utilities System	Ottawa County Office of the Water Resources Commissioner	Ottawa County Land Bank Authority	Ottawa County Road Commission
Checking/Deposit	\$7,900,936		\$65,286	\$4,518,842
Savings		\$116,097		
Ottawa County Investment Pool				
Investments		837,994		
	\$7,900,936	\$954,091	\$65,286	\$4,518,842

The Ottawa County Central Dispatch Authority, also a discretely presented component unit, includes \$4,384,737 in checking/deposit accounts, \$260 in petty cash and \$4,163,328 in investments. The Authority chooses to disclose its investments by specifically identifying them:

Investment	Maturity	Fair Value	Rate	Rating	Source
Money Markets	n/a	\$216,038		AAAm	S&P
FNMA	2/25/2027	61,887	4.50%	unrated	
FNMA	1/25/2014	429,783	2.00%	unrated	
GNMA	6/20/2031	129,150	3.00%	unrated	
GNMA	10/20/2037	99,536	5.00%	unrated	
FHLMC	1/15/2036	1,286,934	2.75%	unrated	
Oakland County Michigan Economic Development Bonds	12/1/2025	200,000	0.19%	A-2	S&P
Michigan State Hospital Fin. Authority	9/1/2027	90,000	0.19%	A-2	S&P
Michigan Fin. Authority	12/1/2032	1,150,000	0.19%	A-2	S&P
Kent Hospital Fin. Authority	10/1/2041	500,000	0.19%	A-2	S&P
		\$4,163,328			

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

In addition, as of December 31, 2013 the County's Other Post Employment Benefit Plan held the following investments:

	<u>Fair Value</u>	<u>Investment Maturities (fair value by years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Over 10</u>
U.S. Agencies:					
Bonds	\$404,026	\$81,110	\$106,357	\$46,753	\$169,806
Corporate bonds	644,035	12,095	592,709		\$39,231
	<u>1,048,061</u>	<u>\$93,205</u>	<u>\$699,066</u>	<u>\$46,753</u>	<u>\$209,037</u>
Mutual Funds:					
Money Market	237,143				
Fixed Income	187,583				
Domestic Equity	2,905,959				
International Equity	112,245				
Total investments held by the OPEB Plan	<u><u>\$4,490,991</u></u>				

As of December 31, 2013, the Ottawa County Insurance Authority had the following investments and maturities in debt securities (none of which are callable):

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

	<u>Cost</u>	<u>Fair Value</u>	<u>Investment Maturities (fair value by years)</u>			
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Over 10</u>
Money market funds	\$544,394	\$544,394				
U.S. treasuries	7,041,717	6,974,556		\$6,495,541	\$479,015	
U.S. agencies:						
Mortgage-backed	48,672	45,257				\$45,257
Other U.S. government agencies	17,719	19,855	-		19,855	
Corporate bonds	4,668,374	4,593,556	\$137,936	1,430,636	2,985,806	39,178
	<u>12,320,876</u>	<u>12,177,618</u>	<u>\$137,936</u>	<u>\$7,926,177</u>	<u>\$3,484,676</u>	<u>\$84,435</u>
Equities						
Common stock	6,291,455	8,474,997				
Mutual Funds:						
Domestic equity	1,817,727	3,469,002				
International equity	2,373,381	3,514,953				
Total investments held by the Authority	<u><u>\$22,803,439</u></u>	<u><u>\$27,636,570</u></u>				

In 1998, to comply with Michigan Insurance Bureau regulations, the Ottawa County Insurance Authority transferred certain investments – i.e., U.S. Treasury Notes – to the Michigan Department of Treasury as security for the benefit of the Authority’s policyholders. As these investments mature, they are replaced with comparable investments to maintain a face value balance of \$5.0 million. Such investments held by the State Treasurer as of December 31, 2013 and 2012, are as summarized:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

<u>Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Face Value</u>	<u>Fair Value</u>	
				<u>2013</u>	<u>2012</u>
U.S. Treasury Notes	08/15/16	4.875%	\$485,000	\$538,843	\$561,350
U.S. Treasury Notes	02/28/13	2.750%	1,100,000	0	1,104,555
U.S. Treasury Notes	09/30/15	1.250%	550,000	558,959	
U.S. Treasury Notes	11/30/14	2.125%	550,000	559,754	
U.S. Treasury Notes	10/31/15	1.250%	435,000	442,222	446,045
U.S. Treasury Notes	08/31/17	1.875%	435,000	446,555	459,299
U.S. Treasury Notes	05/31/18	2.375%	440,000	456,603	476,506
U.S. Treasury Notes	08/15/20	2.625%	445,000	453,622	488,179
U.S. Treasury Notes	02/15/19	2.750%	440,000	460,866	486,887
U.S. Treasury Notes	09/30/16	3.000%	435,000	462,323	475,407
U.S. Treasury Notes	05/15/21	3.125%	445,000	463,286	504,032
U.S. Treasury Notes	11/15/21	2.000%	340,000	324,062	352,537
				\$5,167,095	\$5,354,797

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure, the County’s deposits may not be returned to the County. It is County policy to review and verify a bank’s creditworthiness through a system of ratio analysis and from information provided by several third party sources. The County policy also places maximum limits on percent of portfolio, per issuer and duration. The County places concentration limits on banks based on bank size and creditworthiness analysis. As of December 31, 2013, \$33,629,439 of the County’s bank balance (including certificates of deposit) of \$39,779,146 was uninsured and uncollateralized. Deposits of the Ottawa County Road Commission, the Ottawa County Public Utilities and the portions of the Ottawa County Office of the Water Resources Commissioner and the Ottawa County Other Post Employment Benefit Plan that are pooled with the County’s (primary government) deposits cannot be separately identified for federal depository insurance purposes.

The Ottawa County Insurance Authority’s cash in the amount of \$1,191 at December 31, 2013 was FDIC insured. For the Ottawa County Office of the Water Resources Commissioner, the \$116,097 in deposits at December 31, 2013 was FDIC insured. For the Ottawa County Central Dispatch Authority, \$3,920,012 of the \$4,420,012 bank balance at December 31, 2013 was exposed to custodial credit risk.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (*continued*)

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy requires that investment securities be held in third-party safekeeping by an institution designated as primary agent. The policy further states that safekeeping agent follows the procedure of delivery vs. payment. As of December 31, 2013, the County's \$39,395,000 in treasury investments, municipal bonds, and commercial paper were held in third-party safekeeping in the County's name. The Ottawa County Central Dispatch Authority (discretely presented component unit) had \$4,163,328 in investments which were held in third-party safekeeping in the Authority's name. Ottawa County Central Dispatch Authority does not have a policy for investment custodial credit risk, nor does the State require one.

The County also invests in money market funds that have their securities safe kept with a third party selected by the fund manager. However, the fund's securities are held in trust for the participants of the fund and are not available to the fund manager if the fund manager should happen to fail. The County believes this arrangement satisfies the County's investment policy's safekeeping requirement.

Of the balance of investments for the Ottawa County Other Post Employment Benefit Plan, the County has a custodial credit risk of \$1,235,644 because the related securities are uninsured, unregistered and held by the County's investment manager which is also the counterparty for these particular securities. With regard to the OPEB trust's mutual fund investments the County's custodial credit risk exposure cannot be determined because the mutual funds do not consist of specifically identifiable securities.

The Ottawa County Insurance Authority's short-term investments in money market funds amounting to \$544,394 at December 31, 2013 are not subject to custodial risk categorization. At December 31, 2013, the Authority did not have any custodial credit risk on its investments.

Credit Risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations with a maximum maturity of 270 days. The County's investment policy further limits its investment choices by limiting the maturity to A-1 270 days. The three money market bank investment pools used by the County are rated Aaa by Moody's, Fitch Ratings or Standard & Poor's. The County's investment policy is silent on the use of rated vs. unrated money market funds. In addition, there is no rating level requirement for those money market funds that are rated.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

The investments of the Other Post Employment Benefit Plan in fixed income mutual funds (\$187,583) are unrated. U.S. Government Agency Securities and U.S. and Foreign corporate bonds were rated by Standard & Poors as follows:

S&P Rating	Fair Value
AA+ to AA-	\$472,387
A+ to A-	382,505
BBB+ to BBB-	193,169
	<u><u>\$1,048,061</u></u>

As of December 31, 2013, the Insurance Authority's investments in U.S. Treasuries and Agencies were rated AAA by Moody's. The Authority's investments in corporate bonds were rated by Moody's as follows:

Rating	Fair Value
AAA	\$379,453
AA3	167,450
AA2	287,053
AA1	35,968
A3	418,973
A2	460,529
A1	359,746
BAA3	420,083
BAA2	1,330,185
BAA1	635,588
BA1	
Unrated	98,528
	<u><u>\$4,593,556</u></u>

Concentration of Credit Risk. The County's investment policy specifies a plan to diversify and set concentration limits to further manage credit risk. The policy sets maximum percentages of the pooled portfolio by investment type with additional maximums by issuer. A minimum of 15% is to be invested in U.S. Treasuries. The policy sets a maximum of 50% in U.S. agencies with a maximum of 20% in any

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (*continued*)

one issuer. Certificates of deposit have a 50% maximum with concentration limits set at 5% of the issuer's net worth.

At December 31, 2013, the County's investment portfolio was comprised of the following: Treasury Notes (20.3%), FFCEB (5.8%), FHLB (2.4%), FNMA (6.6%), and Municipal Bonds (9.8%). All investments are in compliance with County's investment policy at December 31, 2013.

The County's investment policy for the Other Post Employment Benefit Plan provides for no more than 50% fixed income securities, 70% equities, 20% international securities, 15% commodities and 50% cash and equivalents. Investments at year-end comply with policy.

Interest Rate Risk. The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The policy sets the maximum maturity by specific type of security and by specific issuer with the maximum of 10 years. The average maturity of the portfolio as a whole may not exceed three years.

Foreign Currency Risk. The County's investment policy is silent regarding foreign currency risk. The Ottawa County Other Post Employment Benefit Plan and the Ottawa County, Michigan Insurance Authority have mutual funds with a fair value of \$112,245 and \$3,627,198 respectively, containing international equities involving numerous currencies. Management believes the County's exposure to foreign currency risk from these equities is immaterial.

B. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government reports the deferred charge on refunding in this category on the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three types of items, one of which arises under a modified accrual basis of accounting, which qualifies for reporting in this category.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Deferred outflows/inflows of resources (continued)

Accordingly, unavailable revenue, is reported in the governmental funds balance sheet from taxes levied for next year, delinquent personal property taxes, and unavailable receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

	General Fund	Parks and Recreation Fund	Health Fund
2014 Property Taxes	\$4,138,886	\$2,980,816	
Delinquent Property Taxes	166,698		
Unavailable receivables	2,023,816		\$128,604
Total	<u><u>\$6,329,400</u></u>	<u><u>\$2,980,816</u></u>	<u><u>\$128,604</u></u>

Additionally the government has two types which arise under the accrual basis of accounting that qualifies for reporting in this category. Accordingly, taxes levied for next year and delinquent personal property taxes, are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

C. Capital assets

Capital asset activity for the year ended December 31, 2013 was as follows:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital assets (continued)

Primary Government:

Governmental activities:	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of Year</u>
Capital assets, not being depreciated:				
Land	\$49,024,337	\$115,971	(\$230,600)	\$48,909,708
Construction in progress				
Total capital assets, not being depreciated	<u>49,024,337</u>	<u>115,971</u>	<u>(230,600)</u>	<u>48,909,708</u>
Capital assets, being depreciated:				
Land improvements	20,547,590	450,466		20,998,056
Buildings	92,922,850	2,293,633		95,216,483
Machinery and equipment	26,956,724	1,338,151	(882,407)	27,412,468
Total assets, being depreciated	<u>140,427,164</u>	<u>4,082,250</u>	<u>(882,407)</u>	<u>143,627,007</u>
Less accumulated depreciation for:				
Land improvements	(8,800,842)	(886,403)		(9,687,245)
Buildings	(27,761,622)	(3,015,181)		(30,776,803)
Machinery and equipment	(20,653,938)	(1,669,504)	879,371	(21,444,071)
Total accumulated depreciation	<u>(57,216,402)</u>	<u>(5,571,088)</u>	<u>879,371</u>	<u>(61,908,119)</u>
Net capital assets, being depreciated	<u>83,210,762</u>	<u>(1,488,838)</u>	<u>(3,036)</u>	<u>81,718,888</u>
Net governmental activities capital assets	<u><u>\$132,235,099</u></u>	<u><u>(\$1,372,867)</u></u>	<u><u>(\$233,636)</u></u>	<u><u>\$130,628,596</u></u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital assets (continued)

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

Governmental activities:

Judicial	\$6,382
General government	3,085,100
Public safety	276,194
Public works	219,636
Health and Welfare	153,874
Culture and recreation	815,457
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the net position	1,014,445
Total depreciation expense - governmental activities	<u><u>\$5,571,088</u></u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital assets (continued)

Discretely Presented Component Units

Activity for the capital assets of the component units for the various years ended were as follows:

	Beginning of Year	Additions	Deductions	End of Year
Capital assets, not being depreciated:				
Land and improvements	\$1,367,182			\$1,367,182
Construction in progress	920,359	\$494,185	(\$920,359)	494,185
Total capital assets, not being depreciated	2,287,541	494,185	(920,359)	1,861,367
Capital assets, being depreciated:				
Buildings	14,907,826	56,865		14,964,691
Machinery and equipment	27,292,603	3,341,837	(\$2,497,609)	28,136,831
Infrastructure	327,510,346	12,059,739		339,570,085
Total assets, being depreciated	369,710,775	15,458,441	(2,497,609)	382,671,607
Less accumulated depreciation for:				
Buildings	(3,536,127)	(251,197)		(3,787,324)
Machinery and equipment	(24,335,286)	(1,653,548)	2,479,176	(23,509,658)
Infrastructure	(132,324,214)	(9,532,639)		(141,856,853)
Total accumulated depreciation	(160,195,627)	(11,437,384)	2,479,176	(169,153,835)
Net capital assets, being depreciated	209,515,148	4,021,057	(18,433)	213,517,772
Net component unit capital assets	\$211,802,689	\$4,515,242	(\$938,792)	\$215,379,139

Commitments

At December 31, 2013, the County has \$601,946 for the ERP project. In connection with the Qualified Energy Conservation bonds issued in 2013, the County has commitments of \$3.16 million for the remainder of the energy improvement projects. In addition, under the terms of various Federal and State grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such grants could lead to reimbursement to the grantor agencies. However, the County's management does not believe such disallowances, if any, will be material to the financial position of the County.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital assets (continued)

Commitments (continued)

The Ottawa County Public Utilities discrete component unit has commitments for plant and infrastructure improvement projects totaling approximately \$1.1 million. These commitments are being funded from bond proceeds. The Ottawa County Central Dispatch Authority has technology project commitments of approximately \$1 million at year-end. The Ottawa County Road Commission had construction and contract commitments of approximately \$3 million at year-end.

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2013, is as follows:

Amounts Due to and from Other Funds

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Primary Government:		
Major Governmental Funds:		
General Fund	\$1,035	
Parks and Recreation		\$1,035
Mental Health		
Major Enterprise Fund:		
Delinquent Tax Revolving		
Non-major Governmental Funds		
Internal Service Funds	4,770,691	4,770,691
	<u>4,771,726</u>	<u>4,771,726</u>
September 30 due from paid before December 31 year end		
	<u><u>\$4,771,726</u></u>	<u><u>\$4,771,726</u></u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund receivables, payables, and transfers (continued)

Interfund balances primarily reflect the interest on investments that was allocated from the General Fund. However, included in the Internal Service funds is \$4,770,691 which represents funds from the Worker's Compensation program that are invested by the Ottawa County Insurance Authority. There are no plans to pay off this liability within the next year.

Due to and from Other Component Units

	<u>Due from Other Component Units</u>	<u>Due to Other Component Units</u>
Ottawa County Public Utilities		\$243,720
Ottawa County Road Commission		26,472
		<u>270,192</u>
December 31 due to established after September 30 year-end	\$243,720	
September 30 due to paid before December 31 year-end	26,472	
	<u>\$270,192</u>	<u>\$270,192</u>

In addition, certain funds that are a part of the County's pooled cash report negative cash balances at year-end. Accordingly, an interfund payable is established in the amount of the negative cash balance, and a corresponding interfund receivable is established in the General Fund.

Interfund Receivables and Payables

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds:		
General Fund	\$2,095,465	
Non-major Governmental Funds		\$1,532,445
Internal Service Funds		563,020
Total	<u>\$2,095,465</u>	<u>\$2,095,465</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund receivables, payables, and transfers (continued)

Long-Term Advances to and from Primary Government and Component Units

	<u>Advances to Component Units</u>	<u>Advances from Primary Government</u>
Primary Government:		
Major Governmental Funds:		
General Fund	\$325,000	
Component Units:		
Ottawa County Public Utilities		\$150,000
Ottawa County Water Resources		175,000
Commissioner		
Total	<u>\$325,000</u>	<u>\$325,000</u>

Interfund transfers within the Primary Government

	<u>Transfer In:</u>						
	<u>General fund</u>	<u>Health</u>	<u>Mental Health</u>	<u>Nonmajor Governmental funds</u>	<u>Internal Service Fund</u>	<u>9/30/13 transfer (out) / in made after 12/31/12 year-end</u>	<u>Total</u>
Transfer out:							
Major Funds:							
General fund		\$3,559,851	\$593,057	\$5,496,801	\$40,000	(\$2,440)	\$9,687,269
Nonmajor governmental funds	\$49,356						49,356
Delinquent Tax Revolving				150,000			150,000
Internal Service funds				300,000			300,000
	<u>\$49,356</u>	<u>\$3,559,851</u>	<u>\$593,057</u>	<u>\$5,946,801</u>	<u>\$40,000</u>	<u>(\$2,440)</u>	<u>\$10,186,625</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund receivables, payables, and transfers (continued)

Transfers are used to: (1) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

E. Leases

Operating Leases

The County is committed under various leases for building and office space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended December 31, 2013 amounted to \$348,546. Future minimum lease payments for these leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2014	\$313,542
2015	250,433
2016	130,284
2017	78,694
2018	24,548
	<u>\$797,501</u>

In addition, the County is a lessor under various operating lease agreements for office space and marinas. The original cost of these assets was \$17,479,894 and the accumulated depreciation totals \$7,316,658 leaving a carrying value of \$10,163,236.

Lease revenue for the year ending December 31, 2013 was \$1,433,554. Future lease revenues for these leases are as follows:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Leases (continued)

Operating Leases (continued)

<u>Year Ending</u>	<u>Amount</u>
2014	\$797,515
2015	149,461
2016	152,702
2017	156,041
2018	162,541
2019-2022	228,730
	<u><u>\$1,646,990</u></u>

F. Long-term debt

The County issues general obligation bonds to provide funds for the construction of water and sewage disposal systems, drains and buildings and to refund previously issued bonds. General obligations have been issued only for governmental activities and component units. The bonds are being repaid generally from funds received from local municipalities in the County, from drain assessments levied, and from lease revenues received by the Building Authority. Under the terms of the bond agreements with local municipalities, the local municipalities have pledged their full faith and credit to pay the County, each year, amounts sufficient to make principal and interest payments on the bonds.

In addition, the County has pledged its full faith and credit for payment on the bonds. The County has not established a reserve or sinking fund to cover defaults by property owners or local units. These bonds generally are issued as 20-year serial bonds with varying amounts of principal maturing each year.

The original issue amount of the primary government's bonds is \$32,250,000.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-term debt (continued)

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Primary Government	Component Units		Total Ottawa County
			Ottawa County Public Utilities System	Ottawa County Office of the Water Resources Commissioner	
Governmental activities	2 - 7.25%	\$18,800,000	\$95,449,060	\$476,898	\$114,725,958
Governmental activities - refunding	.95 - 7.6%	4,335,000	17,700,000		22,035,000
		<u>\$23,135,000</u>	<u>\$113,149,060</u>	<u>\$476,898</u>	<u>\$136,760,958</u>

The annual debt service requirements (to maturity) for the bonds outstanding at year-end follow. Interest is payable on all bond obligations semi-annually. Principal payments are made annually.

Year Ending December 31	Governmental Activities		Component Units	
	Primary Government Principal	Interest	Principal	Interest
2014	\$2,140,000	\$1,018,174	\$5,921,766	\$4,964,095
2015	2,225,000	910,424	5,473,767	4,778,038
2016	2,315,000	803,554	5,688,767	4,583,632
2017	2,410,000	696,734	5,945,767	4,382,811
2018	1,285,000	584,239	5,570,766	4,171,214
2019-2023	7,070,000	2,086,221	25,284,598	17,763,016
2024-2028	5,690,000	568,769	25,926,968	12,033,847
2029-2033			24,588,559	5,358,253
2034-2038			6,700,000	1,256,598
2040-2041			2,525,000	111,671
	<u>\$23,135,000</u>	<u>\$6,668,115</u>	<u>\$113,625,958</u>	<u>\$59,403,175</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-term debt (continued)

Changes in Long-Term Liabilities. Long-term liability activity for the year ended December 31, 2013 was as follows:

Primary Government

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>	<u>Due within One Year</u>
Governmental activities:					
General obligation bonds	\$19,330,000	\$5,495,000	\$1,690,000	\$23,135,000	\$2,140,000
Landfill reclamation	3,397,000		116,498	3,280,502	301,000
Compensated absences	2,878,930	257,941	339,200	2,797,671	2,597,393
Total	<u>\$25,605,930</u>	<u>\$5,752,941</u>	<u>\$2,145,698</u>	<u>\$29,213,173</u>	<u>\$5,038,393</u>

The reporting entity's legal debt margin at December 31, 2013 is \$902,300,229.

Compensated absences are generally liquidated by the Compensated Absences Special Revenue fund and the landfill reclamation liability is liquidated by the Solid Waste Clean-up Special Revenue Fund.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-term debt (continued)

Discretely Presented Component Units

	Beginning of Year	Additions	Reductions	End of Year	Due within One Year
Governmental activities:					
General obligation bonds	\$115,962,237	\$6,189,488	\$8,525,767	\$113,625,958	\$5,921,766
Notes payable	1,831,600	750,000	547,600	2,034,000	352,600
Claims payable	105,798	21,076	65,509	61,365	
Compensated absences	1,589,035	159,828	326,009	1,422,854	209,538
Other Post Employment Benefits	807,219	103,715		910,934	
Total	\$120,295,889	\$7,224,107	\$9,464,885	\$118,055,111	\$6,483,904

The Ottawa County Office of the Water Resources Commissioner (component unit) also had the following short term-note activity during 2013:

	Beginning of Year	Additions	Reductions	End of Year	Due within One Year
Governmental activities:					
Various Drainage Districts					
Notes payable, principal payments ranging from \$30,000 to \$120,000, due in 2014, plus interest of .96%	\$855,000	\$120,000	\$825,000	\$150,000	\$150,000

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-term debt (continued)

Conduit debt refers to certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing financing for a specific third party that is not a part of the state or local government's financial reporting entity. Although conduit debt securities bear the name of the governmental issuer, the governmental issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued. During 2011, the Economic Development Corporation of Ottawa County (EDC), a discretely presented component unit, issued \$10 million in limited obligation refunding revenue bonds on behalf of Hope College. The proceeds were used to advance refund a portion of the \$16,385,000 in outstanding bond principal of the Michigan Higher Education Facilities Authority Limited Obligation Bonds, series 2002A. At December 31, 2013 \$8,835,000 was still outstanding.

G. Landfill reclamation

The County owns the Southwest Ottawa County Refuse Disposal Center ("SOCRDC") otherwise known as the Southwest Ottawa County Landfill. Waste Management operated the landfill from the early 1970's until it was closed in 1981. The landfill was closed per the terms of the "1981 closure agreement" between the County and the Department of Natural Resources (DNR). The agreement outlined a plan to cap the landfill and install a pump and carbon filtration system. Waste Management installed the cap in the mid 1980's; the pump and carbon filtration system was built by the County in 1987, as per the terms of the closure agreement. The County has been operating the pump and filter system 24 hours a day, 7 days a week since beginning operation in 1987.

The pump and filter system have not been effective in containing the plume of contaminants in the groundwater down gradient from the landfill. As a result, contaminants have escaped past the outer purge wells and are migrating southwest towards Lake Michigan. Even though the contaminated water meets drinking water standards, the County is providing municipal water to the property owners in the path of the plume, and is working with the local unit of government to place institutional controls on future users moving into the area. The County has completed negotiations with the Michigan Department of Environmental Quality (MDEQ), formerly known as the DNR, with a revised plan to clean up the contamination. The County began work in 2006 to recap the landfill. Enhancing the water filtration system started in 2006 as well, costing \$4,600,973 to date. The total cost of these enhancements including water and sewer hook-ups for affected residents is projected to exceed \$4.8 million. Landfill post closure cost estimates are subject to change based on inflation, deflation, technology or changes to applicable laws or regulations.

The County's estimate of annual operating and maintenance costs and capital improvements for the purge system is as follows:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Landfill reclamation (continued)

<u>Year Ending</u>	<u>Present Value of Estimated Cost</u>
2014	\$301,000
2015	461,981
2016	287,119
2017	292,917
2018	303,881
2019-2023	1,633,604
	<u>\$3,280,502</u>

IV. OTHER INFORMATION

A. Defined benefit pension plan

1. *Plan Description.* The County of Ottawa, the Ottawa County Road Commission and the Ottawa County Central Dispatch Authority have defined benefit pension plans which provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The County of Ottawa, the Ottawa County Road Commission and the Ottawa County Central Dispatch Authority participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the MERS Retirement Board. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan, 48917 or by calling (800) 767-6377.

2. *Funding Policy.*

County of Ottawa:

The County is required to contribute at an actuarially determined rate; the current rate ranges from 6.19% to 32.70% as a percentage of annual covered payroll and varies by participating division. Certain employee groups are currently required to contribute 0% to 6.99% of their annual covered payroll to the plan. The contribution requirements of the County are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members, if any, are established and may be amended by the County, depending on the MERS contribution program adopted and/or negotiated by the County.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (continued)

A. Defined benefit pension plan (continued)

Ottawa County Road Commission:

The Road Commission is required to contribute at an actuarially determined rate of 22.13% to 56.68% as a percentage of annual covered payroll and varies by participating division. Employees are currently not required to contribute to the plan. The contribution requirements of the Road Commission are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members, if any, are established and may be amended by the Road Commission, depending on the MERS contribution program adopted by the Road Commission and/or negotiated by the Road Commission.

Ottawa County Central Dispatch Authority:

The Authority is required to contribute at a predetermined rate because the plans are closed. The predetermined contributions vary based on employment division. Employees currently do not contribute to the plan. The contribution requirements of the Authority are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Authority, depending on the MERS contribution program adopted by the Authority and/or negotiated by the Authority. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect market value. The difference in investment income between expected return and market return is recognized over a 10 year period at the rate of 10% per year.

Annual Pension Cost - County of Ottawa:

For the year ended December 31, 2013, the County's annual pension cost of \$5,746,834 was less than the County's required contribution of \$5,783,302. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 1% - 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 13.0% per year, depending on age, attributable to seniority/merit.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (continued)

A. Defined benefit pension plan (continued)

Annual Pension Cost - County of Ottawa (continued)

Actuarially determined contribution	\$5,783,302
Interest on Net Pension Asset	(135,815)
Adjustment to actuarially determined contribution	99,347
Annual pension cost	<u>5,746,834</u>
Contributions made	<u>5,783,302</u>
Increase in Net Pension Asset	36,468
Net Pension Asset at beginning of year	1,697,689
Net Pension Asset at end of year	<u><u>\$1,734,157</u></u>

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
12/31/2011	5,642,328	99%	1,737,385
12/31/2012	5,744,981	99%	1,697,689
12/31/2013	5,746,834	99%	1,734,157

Accrued Actuarial Liability – County of Ottawa

The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and included an adjustment to reflect market value. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012, the date of the latest actuarial valuation, was 26 years.

Funding Progress: As of December 31, 2012, the date of the most recent actuarial valuation date, the plan was 79 percent funded. The actuarial accrued liability for benefits was \$211,500,142, and the actuarial value of assets was \$167,699,094, resulting in an unfunded accrued actuarial liability (UAAL) of \$43,801,048. The covered payroll (annual payroll of active employees covered by the plan) was \$42,108,218, and the ratio of the UAAL to the covered payroll was 104 percent. The schedule of funding progress, presented as required supplementary information immediately following the notes to the

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Accrued Actuarial Liability – County of Ottawa (continued)

financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Annual Pension Cost – Ottawa County Road Commission

For the year ended September 30, 2013, the Road Commission's annual pension cost of \$1,041,779 for MERS was equal to the Road Commission's required and actual contributions. During the year the Board approved an additional contribution of \$150,000. The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 1.0% to 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 13.0% per year, depending on age, attributable to seniority/merit.

Three Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
9/30/2011	\$ 1,434,594	100%	\$0
9/30/2012	1,109,328	114%	150,000
9/30/2013	1,041,779	114%	300,000

Accrued Actuarial Liability – Ottawa County Road Commission

The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and included an adjustment to reflect market value. The Road Commission's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012, the date of the latest actuarial valuation, was 26 years.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Accrued Actuarial Liability – Ottawa County Road Commission (continued)

Funding Progress: As of December 31, 2012, the date of the most recent actuarial valuation date, the plan was 69 percent funded. The actuarial accrued liability for benefits was \$47,825,896, and the actuarial value of assets was \$32,862,264, resulting in an unfunded accrued actuarial liability (UAAL) of \$14,963,632. The covered payroll (annual payroll of active employees covered by the plan) was \$5,776,646, and the ratio of the UAAL to the covered payroll was 259 percent. The schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Annual Pension Cost - Ottawa County Central Dispatch Authority

For the year ended December 31, 2013, the Dispatch Authority's annual pension expense of \$37,476 for MERS was equal to the Authority's required and actual contributions. The required contribution was determined as part of the December 31, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit.

Three Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Liability
12/31/2011	\$33,288	100%	\$0
12/31/2012	33,156	100%	0
12/31/2013	37,476	100%	0

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Actuarial Accrued Liability – Ottawa County Central Dispatch Authority

The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and included an adjustment to reflect market value. The Dispatch Authority's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over a period of 30 years. The remaining amortization period at December 31, 2012, the date of the latest actuarial valuation, was 26 years.

Funding Progress: As of December 31, 2012, the date of the most recent actuarial valuation date, the plan was 96.82 percent funded. The actuarial accrued liability for benefits was \$1,921,340, and the actuarial value of assets was \$1,860,154, resulting in an unfunded accrued actuarial liability (UAAL) of \$61,186. The covered payroll (annual payroll of active employees covered by the plan) was \$409,157, and the ratio of the UAAL to the covered payroll was 14.95 percent. The schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multi year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. Defined contribution pension plan

The County's defined contribution pension plans provide pension benefits for certain employee groups hired after January 1, 2012 who are eligible for MERS membership and those hired before January 1, 2012 electing participation in the defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employer and plan member contributions are recognized in the period that the contributions are due. Plan investments are excluded from this report as the fiduciary responsibility for this plan rests with MERS.

Participation in the defined contribution plan is mandatory for all eligible employees. The County contributes 3% of each participant's base salary to the plan. Employees are required to contribute a minimum of 3% of base pay to the plan. The County also matches employee contributions up to a total County contribution of 6%. Participating employees are vested 50% after 3 years of service, 75% after 4 years of service, and 100% after 5 years of service. The plan provisions and contribution amounts were established by the County Board and may be amended by the County Board. The plan is administered by MERS. The County and member contributions were \$249,959 and \$269,915, respectively, for the current year.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

B. Defined contribution pension plan (continued)

The Ottawa County Central Dispatch Authority's defined contribution pension plan provides pension benefits for employees hired after January 1, 2000 who work 30 or more hours per week and those hired before January 1, 2000 electing participation in the defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate immediately upon employment. The Authority contributes 2% of each participant's base salary to the plan. The Authority also matches employee contributions up to a total Authority contribution of 5%. Employees are required to contribute a minimum of 2% of base pay to the plan. Participating employee contributions are vested 100% upon hire. The plan provisions and contribution amounts were established by the Authority Board and may be amended by the Authority Board. The plan is administered by MERS.

The Authority and member contributions were \$68,983 and \$68,983, respectively, for the current year. Employer and plan member contributions are recognized in the period that the contributions are due. Plan investments are excluded from this report as the fiduciary responsibility rests with MERS.

C. Self-insurance

The County is self-funded for liability, worker's compensation, and unemployment insurance. The claims liabilities reported at December 31, 2013 are based on the requirements of Statement No. 10 of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

The Ottawa County, Michigan Insurance Authority (the "Insurance Authority") blended component unit accounts for the self-insurance program for municipal excess liability, law enforcement liability, professional liability, and property liability. The Insurance Authority's participating members include the County of Ottawa and the Ottawa County Building Authority blended component unit.

The Authority records unpaid claims liabilities based on estimates of the ultimate cost of claims, including future claim adjustment expenses, that have been reported but not settled, and of claims that have been incurred but not reported. Because actual claims depend on such complex factors as inflation, damage awards and changes in legal liability doctrines, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are (or will be) recomputed periodically using a variety of claims

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

frequency and other economic and societal factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The Insurance Authority purchases municipal excess liability, auto liability, professional liability and property coverage. Property coverage carries a \$50,000 deductible and the liability coverages attach above a \$1 million self-insured retention for all other coverages. The liability policy provides coverage of up to \$11 million which is equal to the coverage from the prior year for liability protection. In addition, the Ottawa County Insurance Authority, a blended component unit, provides coverage above the \$11 million for total aggregate coverage of \$20 million. The property coverage is \$133,301,516 which is \$3,801,516 more than the prior year. Coverage was adjusted to reflect updated property values.

The revenues for this fund's operation are reimbursements from various funds. The funds are charged based on the number of full time equivalents, number of vehicles and other pertinent information. Losses, damages and administrative expenses are all paid from this fund. Administrative expenses are first paid from Internal Service fund 6770, Protected Self-Funded Insurance Programs and then invoiced to the Authority. The claim liability for known claims and incurred but not reported claims are determined by an actuary. No annuity contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in the history of the self-insurance program.

The changes in the claims liability for the years ended December 31, 2012 and 2013 as recorded in the Insurance Authority blended component unit are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2012	7,247,570	28,442	278,694	6,997,318
2013	6,997,318	444,271	365,631	7,075,958

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

The County's self-insured worker's compensation program provides Michigan statutorily required coverage for worker's compensation claims. It also provides employer's liability coverage of \$11 million excess above the \$750,000 self-insured retention. An independent third party administrator administers the program for an annual fee. The claim liability for known claims and incurred but not reported claims are determined by an actuary. The changes in worker's compensation liability for the year ended December 31, 2012 and 2013 are as follows:

	Beginning of Year Liability	Claims and Changes in Estimates	Claim Payments	End of Year Liability
2012	\$478,175	(\$19,212)	\$96,364	\$362,599
2013	362,599	75,569	315,667	122,501

Beginning January 1, 2011, the County purchased commercial insurance for health, dental and optical coverage for employees. Premiums and associated costs are recorded in the Employee Benefits internal service fund (6771). This fund allocates the cost of the insurance program to departments based on full time equivalents. The County has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

The self-insurance program for unemployment is accounted for in the Protected Self-Funded Unemployment fund (Internal Service fund 6772). Unemployment claims are reimbursed to the Michigan Employment Security Commission based on actual claims annually and were \$37,955 and \$80,132 in 2013 and 2012, respectively.

Discretely Presented Component Units:

The Ottawa County Road Commission is exposed to lawsuits and claims made by individuals. In response to this exposure, the Ottawa County Road Commission participates in the Michigan County Road Commission Self-Insurance Pool (MCRCSIP). Participation in the MCRCSIP requires payment of premiums to the pool. The pool purchases commercial reinsurance on behalf of its members.

Due to the Road Commission's participation in this pool, the liability of the Ottawa County Road Commission relative to claims covered by the pool is limited to \$25,000 per occurrence.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

II. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

Discretely Presented Component Units (continued):

The Road Commission's self-funded workers' compensation program contains stop-loss and coverage of \$300,000 per incident. This limits the Commissions' responsibility for payment to \$300,000 per workers' compensation claim.

Settled claims for the Road Commission have not exceeded coverage during the past three years. There have been no significant reductions in insurance coverage during the past year.

The Road Commission's self-funded insurance claims that have been incurred through the end of the year include both those claims that have been reported as well as those that have not been reported. These estimates are recorded in the government-wide statements as they are not expected to be liquidated with available financial resources. The Commission is exposed to various risks of loss related to torts, destruction of assets and errors and omissions for which it obtains coverage from commercial insurance companies. The Commission had no settled claims resulting from these risks that exceeded commercial coverage in any of the past three years. Changes in the estimates are as follows:

	MCRCSIP Liability Plan	Workers' Compensation Plan	Total
	<u> </u>	<u> </u>	<u> </u>
Estimated liability - September 30, 2011	\$45,383	\$15,634	\$61,017
Estimated claims incurred including changes in estimates	(23,136)	81,816	58,680
Claims paid	0	(13,899)	(13,899)
Estimated liability – September 30, 2012	<u>22,247</u>	<u>83,551</u>	<u>105,798</u>
Estimated claims incurred including changes in estimates	25,000	14,404	39,404
Claims paid	(17,328)	(66,509)	(83,837)
Estimated liability – September 30, 2013	<u><u>\$29,919</u></u>	<u><u>\$31,446</u></u>	<u><u>\$61,365</u></u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

Discretely Presented Component Units (continued):

The Ottawa County Central Dispatch Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, and natural disasters. The Authority has purchased commercial insurance for the above risks of loss. Settled claims have not exceeded insurance coverage for the last three fiscal years.

Ottawa County Public Utilities System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees and natural disasters. In order to minimize its exposure to these risks, Ottawa County Public Utility System participates in the Michigan County Road Commission Self-Insurance Pool. Settled claims relating to participation in Michigan County Road Commission Self-Insurance Pool have not exceeded the amount of insurance coverage in any of the past three fiscal years.

D. Litigation

In the normal course of its activities, the County is a party to various legal actions and subject to certain asserted and unasserted claims and assessments. Although some actions have been brought, the County has not experienced significant losses or costs. The County administration is of the opinion that the outcome of any pending actions will not have a material effect on the County's financial position or results of operations.

E. Other post-employment benefits

County of Ottawa:

The County administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health insurance premiums for retirees until age 65 (medicare eligible). Benefit provisions are established through negotiations between the County and bargaining units and employee groups. For employees hired before January 1, 2008, the County offers health care benefits to retirees that they may purchase at the actuarially determined blended rate for current employees and retirees. There are currently 877 active employees and retirees in the plan. The Retiree Health Plan does not issue a publicly available financial report, but a legal trust has been established for the plan.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

E. Other post-employment benefits (*continued*)

In addition, the County provides certain post-retirement health care benefits to unclassified employees and employees of the Police Officers Association of Michigan and the Command Officers Association of Michigan in accordance with their contracts in which the County will credit the retiree \$4 - \$10 for each year of service, to a maximum of \$100 - \$250 per month, to be applied toward health coverage through the County for the retiree and spouse until age 65. The County makes contributions to the Other Post Employment Benefit Fund based on actuarially determined rates.

Annual OPEB Cost – County of Ottawa

The County's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. In the January 1, 2014, actuarial valuation, the projected unit credit actuarial cost method, level dollar, open amortization method, and an amortization period of 30 years were utilized. The actuarial assumptions included a 5% return on plan net position, general inflation of 2.3%, and medication inflation rate declining from 10% in 2013 to 4.0% in 2090 with implicit subsidy provided.

For the current year the County's contribution was \$202,931. Current year contributions were slightly less than the actuarially determined requirements to amortize the net OPEB asset from prior years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's OPEB obligation to the plan:

Annual required OPEB contribution	\$ 202,931
Interest on net OPEB asset	(25,484)
Adjustment to annual required contributions	30,219
	<u>207,666</u>
Contributions made by the County	202,931
Decrease in net OPEB asset	(4,735)
Net OPEB asset, beginning of year	463,350
Net OPEB asset, end of year	<u><u>\$ 458,615</u></u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

E. Other post-employment benefits (continued)

Annual OPEB Cost – County of Ottawa (continued)

Three Year Trend Information

Fiscal Year End	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Asset
12/31/2011	\$869,330	100%	\$466,571
12/31/2012	176,240	98%	463,350
12/31/2013	207,666	98%	458,615

Accrued Actuarial Liability – County of Ottawa

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

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

Funding Progress: As of December 31, 2013, the date of the most recent actuarial valuation date, the plan was 90.1 percent funded. The actuarial accrued liability for benefits was \$4,987,215, and the actuarial value of assets (fair value) was \$4,490,991, resulting in an unfunded accrued actuarial liability (UAAL) of \$496,224. The covered payroll (annual payroll of active employees covered by the plan) was \$42,294,193, and the ratio of the UAAL to the covered payroll was 1.2 percent. The schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multi year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

E. Other post-employment benefits (continued)

Ottawa County Road Commission:

The Ottawa County Road Commission administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health insurance premiums for retirees until age 65 (Medicare eligible). Benefit provisions are established through negotiations between the Commission, bargaining units and employee groups. The Commission makes 100% of the premium payment to the plan. The Retiree Health Plan does not issue a publicly available financial report and a legal trust has not been established for the plan.

Annual OPEB Cost – Ottawa County Road Commission

The Commission's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The first actuarial valuation of the Retiree Health Plan was performed as of January 1, 2008 with the requirements of GASB Statement # 45 being implemented prospectively.

The Commission's contribution is based on pay-as-you-go financing requirements. For the current year, the annual required contribution (ARC) was \$249,277 while actual contributions were \$126,179.

The following table shows the components of the Commissions annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Commission OPEB obligation to the plan.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

E. Other post-employment benefits (continued)

Annual OPEB Cost – Ottawa County Road Commission (continued)

Annual required contribution	\$249,277
Interest on net OPEB obligation	32,289
Adjustment to annual required contribution	<u>(51,672)</u>
Annual OPEB cost (expense)	229,894
 Contribution made	 126,179
 Increase in net OPEB obligation	 103,715
Net OPEB obligation, beginning of year	<u>807,219</u>
Net OPEB obligation, end of year	<u><u>\$910,934</u></u>

Three-Year Trend Information			
Fiscal Year Ending	Annual OPEB Cost	Percentage of ARC Contributed	Net OPEB Obligation
9/30/2011	260,788	29%	660,833
9/30/2012	225,149	35%	807,219
9/30/2013	229,894	55%	910,934

Accrued Actuarial Liability – Ottawa County Road Commission

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Commission is currently funding the plan on a pay as you go basis. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

E. Other post-employment benefits (continued)

Accrued Actuarial Liability – Ottawa County Road Commission (continued)

In the October 1, 2011 actuarial valuation, the projected unit credit actuarial cost method, level dollar, closed amortization method, and an amortization period of 30 years were utilized. The remaining amortization period at October 1, 2011, was 26 years. The actuarial assumptions included a 0% return on plan net position as the plan is not funded, a discount rate of 4%, 10% inflation in 2012 graded to 5% in 2017, with implicit subsidy provided.

Funding Progress: As of October 1, 2011, the date of the most recent actuarial valuation date, the plan was completely unfunded because the Commission's financing is on a pay-as-you-go basis. The actuarial accrued liability for benefits was \$1,931,708, and the actuarial value of assets was \$0, resulting in an unfunded accrued actuarial liability (UAAL) of \$1,931,708. The covered payroll (annual payroll of active employees covered by the plan) was \$6,147,889, and the ratio of the UAAL to the covered payroll was 31 percent. The schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multi year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

F. Related party transactions

At December 31, 2013, the County's financial statements included taxes receivable of \$3,551,914 and unavailable revenue of \$4,138,886 relating to Ottawa County Central Dispatch Authority (OCCDA) property tax millage, which was levied for use in 2014. In addition, during the year ended December 31, 2013, Ottawa County provided operating grants of \$4,076,088 to OCCDA, all of which was transferred as of December 31, 2013.

The Office of the Water Resources Commissioner assesses the Ottawa County Road Commission (a component unit of Ottawa County) and Ottawa County (the primary government of which the Water Resources Commissioner is a component unit) for drain projects. During 2013, the County paid \$92,615 in assessments to the Office of the Water Resources Commissioner.

Assessments to the Ottawa County Road Commission totaled \$52,944. Ottawa County Public Utilities (OCPU) incurred expenses of \$750,000 for wages and equipment provided by the Ottawa County Road Commission which also provides fiscal and managerial services to OCPU. At year-end, OCPU owed the Ottawa County Road Commission \$243,720 for these goods and services.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2013

IV. OTHER INFORMATION (CONTINUED)

G. Prior period adjustments

Beginning net position of governmental activities was decreased by \$387,794 to write off bond issuance costs in accordance with the implementation of Governmental Accounting Standards Board Statement No. 65.

Beginning net position of the Ottawa County Public Utilities System Component Unit was decreased by \$1,727,228 to write off bond issuance costs and was increased by \$1,727,228 to adjust the related accounts receivable long-term in accordance with the implementation of Governmental Accounting Standards Board Statement No. 65.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF OTTAWA

**GENERAL FUND (1010) - SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended December 31, 2013

(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Taxes	\$37,771,003	\$38,119,320	\$38,152,623	\$33,303	\$37,712,537
Intergovernmental revenues	7,443,905	7,605,449	7,952,614	347,165	7,916,622
Charges for services	7,998,542	8,990,439	8,989,106	(1,333)	8,337,110
Fines and forfeits	75,600	72,000	60,548	(11,452)	79,085
Investment earnings (loss)	290,004	168,160	(91,289)	(259,449)	247,952
Licenses and permits	281,300	445,100	423,144	(21,956)	352,601
Rental income	3,159,481	3,101,178	2,989,964	(111,214)	2,968,756
Other	428,216	576,074	636,821	60,747	505,767
Total revenues	<u>57,448,051</u>	<u>59,077,720</u>	<u>59,113,531</u>	<u>35,811</u>	<u>58,120,430</u>
Expenditures:					
Current operations:					
Legislative	429,309	408,109	395,482	12,627	453,693
Judicial	11,984,038	12,215,512	12,117,675	97,837	11,177,851
General government	11,337,473	11,399,878	10,706,550	693,328	9,946,237
Public safety	23,433,728	24,726,833	24,454,635	272,198	23,195,229
Public works	539,500	89,500	51,020	38,480	296,732
Health and welfare	1,016,999	996,994	695,298	301,696	754,679
Community and economic development	700,508	788,108	703,506	84,602	737,947
Other governmental functions	735,405	111,886	130,386	(18,500)	129,846
Debt service			250	(250)	
Total expenditures	<u>50,176,960</u>	<u>50,736,820</u>	<u>49,254,802</u>	<u>1,482,018</u>	<u>46,692,214</u>
Revenues over expenditures	<u>7,271,091</u>	<u>8,340,900</u>	<u>9,858,729</u>	<u>1,517,829</u>	<u>11,428,216</u>
Other Financing Sources (Uses):					
Transfers from other funds	1,170,937	674,355	163,584	(510,771)	7,172
Transfers to other funds	(9,638,849)	(9,153,013)	(9,374,769)	(221,756)	(12,332,006)
Total other financing sources (uses)	<u>(8,467,912)</u>	<u>(8,478,658)</u>	<u>(9,211,185)</u>	<u>(732,527)</u>	<u>(12,324,834)</u>
Net change in fund balance	(1,196,821)	(137,758)	647,544	785,302	(896,618)
Fund balance, beginning of year	<u>21,244,490</u>	<u>21,244,490</u>	<u>20,347,872</u>	<u>(896,618)</u>	<u>21,244,490</u>
Fund balance, end of year	<u>\$20,047,669</u>	<u>\$21,106,732</u>	<u>\$20,995,416</u>	<u>(\$111,316)</u>	<u>\$20,347,872</u>
Add: fund balance of funds classified with the General Fund for purposes of GASB Statement No. 54			\$26,966,224		
Fund balance, end of year, for Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$47,961,640</u>		

COUNTY OF OTTAWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1) **Budgets and Budgetary Accounting**

The County adopts an annual budget for the General, Special Revenue, Debt Service and Capital Projects funds following the GAAP basis of accounting. Unexpended appropriations lapse at year end.

2) **Reconciliation between the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual and the Statement of Revenues, Expenditures, and Changes in Fund Balance**

The adjustments necessary to reconcile actual revenues and expenditures reported on a budgetary basis to actual revenues and expenditures reported in accordance with generally accepted accounting principles are as follows:

	<u>Revenues and Other Sources</u>	<u>Expenditures and Other Uses</u>
General Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$59,277,115	\$58,629,571
Revenues and other sources and expenditures and other uses of funds classified with the General Fund for the purposes of GASB Statement No. 54	232,570	657,421
Statement of Revenues, Expenditures and Changes in Fund Balances	<u><u>\$59,509,685</u></u>	<u><u>\$59,286,992</u></u>

COUNTY OF OTTAWA

**PARKS AND RECREATION SPECIAL REVENUE FUND (2081) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Taxes	\$2,945,764	\$2,945,764	\$2,941,638	(\$4,126)	\$2,969,262
Intergovernmental revenues	867,100	867,100	75,168	(791,932)	1,270,495
Charges for services	371,200	495,900	751,138	255,238	427,988
Investment earnings (loss)	49,492	49,492	(7,744)	(57,236)	52,202
Rental income	45,000	15,000	15,000		31,442
Other	6,000	6,000	100,534	94,534	66,712
Total revenues	4,284,556	4,379,256	3,875,734	(503,522)	4,818,101
Expenditures:					
Current operations:					
Personnel services	1,865,919	1,865,919	1,807,624	58,295	1,675,757
Supplies	186,890	189,890	174,139	15,751	240,111
Other services and charges	494,624	523,802	518,281	5,521	478,313
Debt service					91,500
Capital outlay	2,488,000	3,758,723	576,753	3,181,970	2,009,112
Total expenditures	5,035,433	6,338,334	3,076,797	3,261,537	4,494,793
Revenues over (under) expenditures	(750,877)	(1,959,078)	798,937	2,758,015	323,308
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Land Contract issued					
Total other financing sources (uses)					
Net change in fund balance	(750,877)	(1,959,078)	798,937	2,758,015	323,308
Fund balance, beginning of year	3,865,181	3,865,181	3,865,181		3,541,873
Fund balance, end of year	<u>\$3,114,304</u>	<u>\$1,906,103</u>	<u>\$4,664,118</u>	<u>\$2,758,015</u>	<u>\$3,865,181</u>

COUNTY OF OTTAWA
HEALTH SPECIAL REVENUE FUND (2210) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$3,795,178	\$3,809,405	\$3,065,004	(\$744,401)	\$3,881,638
Charges for services	649,127	660,436	696,758	36,322	671,925
Licenses and permits	669,270	695,170	769,963	74,793	691,093
Other	192,240	216,336	247,543	31,207	197,529
Total revenues	<u>5,305,815</u>	<u>5,381,347</u>	<u>4,779,268</u>	<u>(602,079)</u>	<u>5,442,185</u>
Expenditures:					
Current operations:					
Personnel services	6,390,433	6,340,923	6,001,209	339,714	5,891,724
Supplies	1,092,019	1,162,252	948,512	213,740	1,026,359
Other services and charges	1,796,172	1,876,143	1,755,616	120,527	1,702,686
Capital outlay		8,030	8,030		
Total expenditures	<u>9,278,624</u>	<u>9,387,348</u>	<u>8,713,367</u>	<u>673,981</u>	<u>8,620,769</u>
Revenues over (under) expenditures	<u>(3,972,809)</u>	<u>(4,006,001)</u>	<u>(3,934,099)</u>	<u>71,902</u>	<u>(3,178,584)</u>
Other financing sources (uses):					
Transfers in (out):					
General Fund	3,772,809	3,772,809	3,559,851	(212,958)	3,178,586
Total other financing sources (uses)	<u>3,772,809</u>	<u>3,772,809</u>	<u>3,559,851</u>	<u>(212,958)</u>	<u>3,178,586</u>
Net change in fund balance	(200,000)	(233,192)	(374,248)	(141,056)	2
Fund balance, beginning of year	952,576	952,576	952,576		952,574
Fund balance, end of year	<u>\$752,576</u>	<u>\$719,384</u>	<u>\$578,328</u>	<u>(\$141,056)</u>	<u>\$952,576</u>

COUNTY OF OTTAWA

**MENTAL HEALTH SPECIAL REVENUE FUND (2220) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$36,985,355	\$37,723,277	\$37,088,311	(\$634,966)	\$35,962,769
Charges for services	385,580	352,692	340,644	(12,048)	358,477
Investment earnings (loss)	36,000	46,500	25,275	(21,225)	46,507
Rental income					18,213
Other	226,604	970,083	922,460	(47,623)	617,397
Total revenues	37,633,539	39,092,552	38,376,690	(715,862)	37,003,363
Expenditures:					
Current operations:					
Personnel services	13,888,415	13,403,974	13,028,244	375,730	12,344,939
Supplies	406,896	471,260	412,517	58,743	444,462
Other services and charges	23,931,285	25,921,532	25,574,468	347,064	24,758,882
Capital outlay			9,930	(9,930)	108,423
Total expenditures	38,226,596	39,796,766	39,025,159	771,607	37,656,706
Revenues over (under) expenditures	(593,057)	(704,214)	(648,469)	55,745	(653,343)
Other financing sources (uses):					
Transfers in (out):					
General Fund	593,057	593,057	593,057		563,108
Total other financing sources (uses)	593,057	593,057	593,057		563,108
Net change in fund balance		(111,157)	(55,412)	55,745	(90,235)
Fund balance, beginning of year	412,922	412,922	412,922		503,157
Fund balance, end of year	<u>\$412,922</u>	<u>\$301,765</u>	<u>\$357,510</u>	<u>\$55,745</u>	<u>\$412,922</u>

COUNTY OF OTTAWA
DEFINED BENEFIT PENSION PLANS
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

Ottawa County (Primary Government):

Schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/2005	\$106,312,114	\$126,887,611	\$20,575,497	84%	\$38,259,539	54%
12/31/2006	116,418,835	138,434,883	22,016,048	84%	40,525,474	54%
12/31/2007	127,103,598	151,513,633	24,410,035	84%	41,772,689	58%
12/31/2008	134,207,078	164,292,703	30,085,625	82%	42,158,377	71%
12/31/2009	142,666,997	175,705,139	33,038,142	81%	44,865,784	74%
12/31/2010	152,352,857	184,346,935	31,994,078	83%	43,300,146	74%
12/31/2011	160,910,020	197,600,606	36,690,586	81%	43,711,453	84%
12/31/2012	167,699,094	211,500,142	43,801,048	79%	42,108,218	104%

Schedule of employer contributions:

Year Ended	Annual Required Contributions	Percentage of ARC Contributed
12/31/2006	\$3,944,897	100%
12/31/2007	4,317,144	100%
12/31/2008	4,478,672	100%
12/31/2009	4,916,278	100%
12/31/2010	5,508,432	100%
12/31/2011	5,599,403	100%
12/31/2012	5,705,285	100%
12/31/2013	5,783,302	100%

COUNTY OF OTTAWA
DEFINED BENEFIT PENSION PLANS
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

Ottawa County Road Commission (Component Unit):

Schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAL) (b-a)	Fund Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/2005	\$29,768,361	\$37,092,752	\$7,324,391	80%	\$6,478,421	113%
12/31/2006	31,130,701	38,533,848	7,403,147	81%	6,272,650	118%
12/31/2007	32,465,731	41,829,814	9,364,083	78%	6,329,343	148%
12/31/2008	32,464,801	45,258,740	12,793,939	72%	6,736,861	190%
12/31/2009	32,251,461	44,008,755	11,757,294	73%	6,269,382	188%
12/31/2010	32,668,905	44,856,588	12,187,683	73%	6,005,448	203%
12/31/2011	33,063,482	46,676,475	13,612,993	71%	6,147,889	221%
12/31/2012	32,862,264	47,825,896	14,963,632	69%	5,776,646	259%

Schedule of employer contributions:

Year Ended	Annual Required Contributions	Percentage of ARC Contributed
9/30/2006	\$850,700	100%
9/30/2007	943,400	100%
9/30/2008	976,575	100%
9/30/2009	1,095,915	100%
9/30/2010	1,309,284	100%
9/30/2011	1,434,594	100%
9/30/2012	1,109,328	114%
9/30/2013	1,041,779	114%

COUNTY OF OTTAWA
DEFINED BENEFIT PENSION PLANS
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

Ottawa County Central Dispatch Authority (Component Unit):

Schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAL) (b-a)	Fund Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/2005	\$1,312,860	\$1,369,486	\$56,626	96%	\$538,217	11%
12/31/2006	1,451,371	1,517,960	66,589	96%	443,927	15%
12/31/2007	1,575,191	1,653,276	78,085	95%	410,974	19%
12/31/2008	1,625,977	1,696,979	71,002	96%	373,483	19%
12/31/2009	1,674,042	1,738,798	64,756	96%	395,433	16%
12/31/2010	1,737,661	1,797,375	59,714	97%	397,578	15%
12/31/2011	1,799,174	1,884,946	85,772	95%	397,407	22%
12/31/2012	1,860,154	1,921,340	61,186	97%	409,157	15%

Schedule of employer contributions:

Year Ended	Annual Required Contributions	Percentage of ARC Contributed
12/31/2006	\$57,986	100%
12/31/2007	52,968	100%
12/31/2008	40,800	100%
12/31/2009	35,184	100%
12/31/2010	34,044	100%
12/31/2011	33,288	100%
12/31/2012	33,156	100%
12/31/2013	37,476	100%

COUNTY OF OTTAWA

**OTHER POST EMPLOYMENT BENEFIT PLANS
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Ottawa County (Primary Government):

Schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/2008	\$977,996	\$7,853,881	\$6,875,885	12.5%	\$43,379,815	15.9%
12/31/2009	1,890,604	7,618,482	5,727,878	24.8%	45,932,817	12.5%
12/31/2010	2,879,313	9,125,944	6,246,631	31.6%	44,125,422	14.2%
12/31/2011	3,526,643	4,485,898	959,255	78.6%	44,134,714	2.2%
12/31/2012	3,825,988	4,389,537	563,549	87.2%	44,048,199	1.3%
12/31/2013	4,490,991	4,987,215	496,224	90.1%	42,294,193	1.2%

Actuarial data prior to 12/31/08 is not available.

Schedule of employer contributions:

Year Ended	Annual Required Contributions	Percentage of ARC Contributed
12/31/2008	\$600,916	153%
12/31/2009	860,786	118%
12/31/2010	785,250	100%
12/31/2011	866,087	100%
12/31/2012	215,465	100%
12/31/2013	202,931	100%

Ottawa County Road Commission (Component Unit):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAL) (b-a)	Fund Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
1/1/2008	\$0	\$1,835,591	\$1,835,591	0%	\$6,329,343	29.0%
10/1/2011	\$0	\$1,931,708	\$1,931,708	0%	\$6,147,889	31.4%

Year Ended	Annual Required Contributions	Percentage of ARC Contributed
9/30/2008	\$217,453	22%
9/30/2009	225,873	46%
9/30/2010	231,309	28%
9/30/2011	241,718	32%
9/30/2012	240,063	33%
9/30/2013	249,277	51%

The fiscal year end for the Ottawa County Road Commission is September 30. Actuarial data before 12/31/2007 is not available.

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenue from specific revenue sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

Friend of the Court Fund (2160) - This Fund accounts for the operations of the Friend of the Court including the Co-op Reimbursement Grant, the Medical Support Enforcement Grant, and the 3% Friend of the Court incentive payments established under Act 297 of 1982, Section 2530.

9/30 Judicial Grants (2170) - This Fund accounts for miscellaneous grant revenue received from the State and other agencies for judicial programs. This fund was closed as of September 30, 2012.

Other Governmental Grants (2180) – This fund was opened in 2012 and accounts for various grants, primarily judicial grants, previously reported in funds 2170, 2320 and 2941.

Landfill Tipping Fees Fund (2272) - This Fund was established to account for the County's share of the tipping fee surcharge of Ottawa County Farms landfill starting in 1991 in accordance with an agreement between Ottawa County, Sunset Waste System, Inc., and the Township of Polkton. The monies are to be used for implementation of the Solid Waste Management Plan.

Transportation System Fund (2320) - This Fund was used to account for a grant from the Michigan Department of Transportation to provide public transportation in concentrated areas for persons who are handicapped or who are sixty-five years of age or older. This fund was closed as of September 30, 2012.

Farmland Preservation (2340) – This fund is used to account for cash purchases and/or installment purchases of development rights voluntarily offered by landowners. Once purchased, an agricultural conservation easement is placed on the property which restricts future development.

Brownfield Redevelopment Authority (2430) – This fund was established by the County Board for the purpose of revitalizing certain environmentally distressed or functionally obsolete and/or blighted areas in the County.

Homestead Property Tax (2550) – This fund was established as a result of the passage of Public Act 105 of 2003 which provides for the denial of homestead status by local governments, counties and/or State of Michigan. The County's share of interest on tax revenue collected under this statute is to be used solely for the administration of this program, and any unused funds remaining after a period of three years may be transferred to the county general fund (MCL 211.7cc, as amended).

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

SPECIAL REVENUE FUNDS (CONTINUED)

Register of Deeds Technology Fund (2560) – This Fund was established under Public Act 698 of 2002 to account for newly authorized additional recording fees effective March 31, 2003. The revenue collected is to be spent on technology upgrades.

Prosecuting Attorney Grants Fund (2601) - This Fund is used to account for monies granted to the County by the State for prosecution against drug offenders. The grant was moved to the General Fund effective October 1, 2012, so this fund was closed as of September 30, 2012.

Sheriff 9/30 Grant Programs Fund (2609) - This Fund accounts for miscellaneous grant revenue received by the Sheriff's department from the State for special purpose programs. This fund was closed effective September 30, 2012. Future grants will be recorded in fund 2630.

Sheriff Contracts (2610) - These Funds account for Federal monies granted to the townships who contract with the County to improve the long-term ability of local law enforcement agencies public safety through innovative crime prevention, including community policing. The contracts were moved to fund 2630 effective October 1, 2012, so this fund was closed as of September 30, 2012.

Sheriff Grants & Contracts (2630) – These funds account for various public safety grants and contracts for policing services with County municipalities.

Sheriff Road Patrol Fund (2661) - This Fund accounts for monies granted to the County by the State for the purpose of providing additional police supervision of traffic safety and additional patrol of the roads and parks as described in Public Act 416 of 1978. The contracts were moved to fund 2630 effective October 1, 2012, so this fund was closed as of September 30, 2012.

Workforce Investment Act Funds (2740, 2741, 2742, 2743, 2744, 2748, and 2749) - These Funds are used to account for Federal funds which are received by the County under the Workforce Investment Act. These Funds are targeted for training and employment programs for the under employed and economically disadvantaged citizens. These funds have been rolled into fund 2745 – Michigan Works or 2746 – Community Action Agency at the end of their 2012 fiscal years.

Michigan Works (2745) and Community Action Agency (2746) - These funds account for various labor related grants (including Workforce Investment Act grants) received by the Michigan Works agency and Community Action Agency. The funds were opened in 2012 to record grants previously reported in other Workforce Investment Act Funds, the Emergency Feeding Fund (2800), the Federal Emergency Management Agency fund (2810), the Community Action Agency fund (2870) and the Weatherization fund (2890).

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

SPECIAL REVENUE FUNDS (CONTINUED)

Grant Programs - Pass Thru Fund (2750) - This Fund is used to account for monies received from State and Federal grants which are passed on to outside agencies through contractual agreements to carry out the grants intended purpose.

Emergency Feeding Fund (2800) - This Fund is used to account for monies received from the State for the purpose of distributing surplus food to the impoverished residents of the County. The fund has been rolled into 2746 – Community Action Agency as of October 1, 2012.

Federal Emergency Management Agency Fund (2810) - This Fund is used to account for monies received through the Emergency Food and Shelter National Board program for utility payments to prevent utility disconnection or heating source loss in households that have exhausted all other resources and do not qualify for other Community Action emergency funds. The fund has been rolled into 2746 – Community Action Agency as of October 1, 2012.

Community Corrections Fund (2850) - This Fund is used to account for State monies and fees received to enhance the delivery of adult probation services in the County. This fund also receives money from the County for a Domestic Violence Intervention Program. The grant was moved to the General Fund effective October 1, 2012, so this fund was closed as of September 30, 2012.

Community Action Agency Fund (2870) - This Fund is used to account for monies received from the State to be applied to various community programs for the impoverished residents of the County. The fund has been rolled into 2746 – Community Action Agency as of October 1, 2012.

Weatherization Fund (2890) - This Fund is used to account for monies received through a State grant which aids in weatherizing homes of the disadvantaged, the elderly and people in the poverty zone. The fund has been rolled into 2746 – Community Action Agency as of April 1, 2012.

Department of Human Services (2901) - This Fund is used primarily to account for monies from State and local funding sources and to assist with the welfare program which offers aid to disadvantaged individuals of Ottawa County.

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

SPECIAL REVENUE FUNDS (CONTINUED)

Child Care Funds (2920 and 2921) - These Funds are used to account for foster child care in the County. This encompasses the Ottawa County Detention Center, which is a facility that houses juveniles on a short-term basis. The primary funding comes from the State and a County appropriation which is used to aid children who require placement outside of their home and other treatment. Fund 2921 was combined with fund 2920 effective October 1, 2012.

Veterans Trust Fund (2941) - This fund was established under Section 35.607 of the Compiled laws of 1970. It is used to account for monies received by the State and distributed to needy veterans. The grant has been moved to fund 2180 as of October 1, 2012, so the fund was closed as of September 30, 2012.

DEBT SERVICE FUND

Building Authority Fund (3515 - 3517) - This Fund was established to account for the accumulation of resources for payment of principal and interest on bonds issued to finance building projects for the County of Ottawa. Financing is provided by cash rental payments pursuant to lease agreements with the County of Ottawa.

CAPITAL PROJECTS FUND

Qualified Energy Conservation Bond (4010) - This Fund was established to account for the receipt of the Qualified Energy Conservation bond proceeds and the associated capital expenditures.

PERMANENT FUND

Cemetery Trust Fund (1500) - This Fund was established under State statute to care for cemetery plots of specific individuals who have willed monies in trust to the County for perpetual care of their gravesites.

COUNTY OF OTTAWA
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
December 31, 2013
(with comparative totals for December 31, 2012)

	Special Revenue				Brownfield Redevelop- -ment Authority
	Friend of the Court (2160)	Other Governmental Grants (2180)	Landfill Tipping Fees (2272)	Farmland Pre- serva- tion (2340)	
<u>ASSETS</u>					
Cash and pooled investments	\$5,250		\$1,063,810	\$604	\$293
Receivables (net of allowance for estimated uncollectibles):					
Accounts	1,368	\$80	40,880		
Due from other funds					
Due from other governmental units	641,319	149,114	11,641		
Inventory of supplies					
Prepaid expenditures					
Total assets	<u>\$647,937</u>	<u>\$149,194</u>	<u>\$1,116,331</u>	<u>\$604</u>	<u>\$293</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$97,748	\$53,054	\$24,238		
Due to other governmental units					
Interfund payable governmental units	550,189	70,998			
Unearned revenue		1,884			
Total liabilities	<u>647,937</u>	<u>125,936</u>	<u>24,238</u>		
Deferred inflows of resources:					
Aggregate deferred inflows					
Total liabilities and deferred inflows of resources	<u>647,937</u>	<u>125,936</u>	<u>24,238</u>		
Fund balances:					
Nonspendable					
Restricted		23,258			
Committed				\$604	\$293
Assigned			1,092,093		
Total fund balances		<u>23,258</u>	<u>1,092,093</u>	<u>604</u>	<u>293</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$647,937</u>	<u>\$149,194</u>	<u>\$1,116,331</u>	<u>\$604</u>	<u>\$293</u>

(Continued on next page)

COUNTY OF OTTAWA
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
December 31, 2013
(with comparative totals for December 31, 2012)

	Special Revenue				
	Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Sheriff Grants & Contracts (2630)	Michigan Works (2745)	Community Action Agency (2746)
<u>ASSETS</u>					
Cash and pooled investments	\$2,599	\$576,760			\$60,645
Receivables (net of allowance for estimated uncollectibles):					
Accounts				\$50,242	
Due from other funds					
Due from other governmental units			\$1,193,752	619,070	208,363
Inventory of supplies				138	24,041
Prepaid expenditures				13,050	3,150
Total assets	<u>\$2,599</u>	<u>\$576,760</u>	<u>\$1,193,752</u>	<u>\$682,500</u>	<u>\$296,199</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>					
Liabilities:					
Accounts payable		\$2,568	\$205,119	\$185,291	\$118,682
Due to other governmental units				49,858	
Interfund payable governmental units			562,757 420,856	348,501	
Unearned revenue				3,179	76,245
Total liabilities		2,568	1,188,732	586,829	194,927
Deferred inflows of resources:					
Aggregate deferred inflows					
Total liabilities and deferred inflows of resources		<u>2,568</u>	<u>1,188,732</u>	<u>586,829</u>	<u>194,927</u>
Fund balances:					
Nonspendable				13,188	27,191
Restricted	\$2,599	574,192	5,020	82,483	74,081
Committed					
Assigned					
Total fund balances	<u>2,599</u>	<u>574,192</u>	<u>5,020</u>	<u>95,671</u>	<u>101,272</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$2,599</u>	<u>\$576,760</u>	<u>\$1,193,752</u>	<u>\$682,500</u>	<u>\$296,199</u>

(Continued on next page)

COUNTY OF OTTAWA
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
December 31, 2013
(with comparative totals for December 31, 2012)

	Special Revenue	Special Revenue	Debt Service
	Department of Human Services (2901)	Child Care - Circuit Court (2920)	Ottawa County Building Authority (3515-3517)
			Total
<u>ASSETS</u>			
Cash and pooled investments	\$31,651	\$200,323	\$1,941,935
Receivables (net of allowance for estimated uncollectibles):			
Accounts		18,035	110,605
Due from other funds			
Due from other governmental units		1,439,187	4,262,446
Inventory of supplies			24,179
Prepaid expenditures			16,200
Total assets	<u>\$31,651</u>	<u>\$1,657,545</u>	<u>\$6,355,365</u>
			<u>None</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$3,119	\$472,575	\$1,162,394
Due to other governmental units		20,499	70,357
Interfund payable			1,532,445
governmental units			420,856
Unearned revenue			81,308
Total liabilities	<u>3,119</u>	<u>493,074</u>	<u>3,267,360</u>
Deferred inflows of resources:			
Aggregate deferred inflows			
Total liabilities and deferred inflows of resources	<u>3,119</u>	<u>493,074</u>	<u>3,267,360</u>
Fund balances:			
Nonspendable			40,379
Restricted			761,633
Committed			897
Assigned	28,532	1,164,471	2,285,096
Total fund balances	<u>28,532</u>	<u>1,164,471</u>	<u>3,088,005</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$31,651</u>	<u>\$1,657,545</u>	<u>\$6,355,365</u>
			<u>None</u>

(Continued on next page)

COUNTY OF OTTAWA
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
December 31, 2013
(with comparative totals for December 31, 2012)

	Capital Projects Qualified Energy Conservation Bonds (4010)	Permanent Cemetery Trust (1500)	Total Nonmajor Governmental Funds	
			2013	2012
<u>ASSETS</u>				
Cash and pooled investments	\$3,388,229	\$5,837	\$5,336,001	\$1,734,834
Receivables (net of allowance for estimated uncollectibles):				
Accounts			110,605	476,047
Due from other funds				5,694
Due from other governmental units			4,262,446	8,448,260
Inventory of supplies			24,179	28,693
Prepaid expenditures			16,200	94,780
Total assets	<u>\$3,388,229</u>	<u>\$5,837</u>	<u>\$9,749,431</u>	<u>\$10,788,308</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$225,363		\$1,387,757	\$2,331,996
Due to other governmental units			70,357	91,608
Interfund payable governmental units			1,532,445	4,678,785
Unearned revenue			420,856	441,856
			<u>81,308</u>	<u>15,044</u>
Total liabilities	225,363		3,492,723	7,559,289
Deferred inflows of resources:				
Aggregate deferred inflows				177,952
Total liabilities and deferred inflows of resources	<u>225,363</u>		<u>3,492,723</u>	<u>7,737,241</u>
Fund balances:				
Nonspendable		\$5,770	46,149	129,243
Restricted	3,162,866	\$67	3,924,566	651,627
Committed			897	1,871
Assigned			2,285,096	2,268,326
Total fund balances	<u>3,162,866</u>	<u>5,837</u>	<u>6,256,708</u>	<u>3,051,067</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$3,388,229</u>	<u>\$5,837</u>	<u>\$9,749,431</u>	<u>\$10,788,308</u>

(Concluded)

COUNTY OF OTTAWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS

For the year ended December 31, 2013
(with comparable totals for the year ended December 31, 2012)

	Special Revenue					
	Friend of the Court (2160)	Other Governmental Grants (2180)	Landfill Tipping Fees (2272)	Farmland Preservation (2340)	Brownfield Redevelopment Authority (2430)	
Revenues:						
Taxes					\$486	\$7,948
Intergovernmental revenues	\$2,073,405	\$544,461	\$39,473			
Charges for services	257,706	45,204	\$316,499			
Investment earnings (loss)						(50)
Rental income						
Other		9,972	34,967			
Total revenues	2,331,111	599,637	390,939		486	7,898
Expenditures:						
Current operations:						
Judicial	3,219,876	360,845				
General government						5,299
Public safety						
Public works		196,961	371,914			
Health and welfare		50,600				
Community and economic development				\$396	1,064	
Debt service						
Capital outlay						
Total expenditures	3,219,876	608,406	371,914	396	1,064	5,299
Revenues over (under) expenditures	(888,765)	(8,769)	19,025	(396)	(578)	2,599
Other financing sources (uses):						
Transfers in (out):						
General Fund	888,765					(49,356)
9/30 Judicial Grants		14,449				
Infrastructure						
Other Governmental Grants						
Delinquent Tax Revolving						
Public Improvement						
Emergency Feeding						
Community Action Agency 9/30 Grant Programs						
Workforce Investment Act - Administrative Cost Pool						
Workforce Investment Act - Adult						
Workforce Investment Act 6/30 Grant Programs						
Workforce Investment Act 9/30 Grant Programs						
Workforce Investment Act 12/31 Grant Programs						
Michigan Works						
Community Action Agency						
Weatherization						
Sheriff Grants & Contracts						
Sheriff 9/30 Grants						
Veternan's Trust						
Telecommunications						
Ottawa County, Michigan Insurance Authority						
Issuance of bonds						
Total other financing sources (uses)	888,765	14,449				(49,356)
Net change in fund balances		5,680	19,025	(396)	(578)	(46,757)
Fund balances, beginning of year		17,578	1,073,068	1,000	871	49,356
Fund balances, end of year	None	\$23,258	\$1,092,093	\$604	\$293	\$2,599

(Continued on next page)

COUNTY OF OTTAWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS

For the year ended December 31, 2013
(with comparable totals for the year ended December 31, 2012)

	Special Revenue					
	Register of Deeds Technology (2560)	Sheriff Grants & Contracts (2630)	Michigan Works (2745)	Community Action Agency (2746)	Department of Human Services (2901)	Child Care - Circuit Court (2920)
Revenues:						
Taxes						
Intergovernmental revenues		\$6,071,651	\$5,196,564	\$1,354,948	\$22,129	\$3,525,744
Charges for services	\$279,755	10,200		283		
Investment earnings (loss)	(561)					
Rental income						
Other		250	35,095	45,101		794,849
Total revenues	279,194	6,082,101	5,231,659	1,400,332	22,129	4,320,593
Expenditures:						
Current operations:						
Judicial						
General government	218,558					
Public safety		6,536,169				
Public works						
Health and welfare			5,231,659	1,396,344	60,452	8,108,135
Community and economic development						
Debt service						
Capital outlay						
Total expenditures	218,558	6,536,169	5,231,659	1,396,344	60,452	8,108,135
Revenues over (under) expenditures	60,636	(454,068)		3,988	(38,323)	(3,787,542)
Other financing sources (uses):						
Transfers in (out):						
General Fund		457,477			43,690	3,779,920
9/30 Judicial Grants						
Infrastructure						
Other Governmental Grants						
Delinquent Tax Revolving						
Public Improvement						
Emergency Feeding						
Community Action Agency 9/30 Grant Programs						
Workforce Investment Act - Administrative Cost Pool						
Workforce Investment Act - Adult						
Workforce Investment Act 6/30 Grant Programs						
Workforce Investment Act 9/30 Grant Programs						
Workforce Investment Act 12/31 Grant Programs						
Michigan Works						
Community Action Agency						
Weatherization						
Sheriff Grants & Contracts						
Sheriff 9/30 Grants						
Veternan's Trust						
Telecommunications						
Ottawa County, Michigan Insurance Authority						
Issuance of bonds						
Total other financing sources (uses)		457,477			43,690	3,779,920
Net change in fund balances	60,636	3,409		3,988	5,367	(7,622)
Fund balances, beginning of year	513,556	1,611	95,671	97,284	23,165	1,172,093
Fund balances, end of year	<u>\$574,192</u>	<u>\$5,020</u>	<u>\$95,671</u>	<u>\$101,272</u>	<u>\$28,532</u>	<u>\$1,164,471</u>

(Continued on next page)

COUNTY OF OTTAWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS

For the year ended December 31, 2013

(with comparable totals for the year ended December 31, 2012)

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds	
		Ottawa County Building Authority (3515-3517)	Qualified Energy Conservation Bonds (4010)	Cemetery Trust (1500)	2013	2012
	Total					
Revenues:						
Taxes	\$8,434				\$8,434	\$11,420
Intergovernmental revenues	18,828,375				18,828,375	26,606,712
Charges for services	909,647				909,647	1,295,143
Investment earnings (loss)	(611)		\$1,154	\$23	566	5,739
Rental income		\$1,815,585			1,815,585	1,822,460
Other	920,234				920,234	1,255,868
Total revenues	20,666,079	1,815,585	1,154	23	22,482,841	30,997,342
Expenditures:						
Current operations:						
Judicial	3,580,721				3,580,721	4,565,760
General government	223,857				223,857	573,651
Public safety	6,536,169				6,536,169	8,456,256
Public works	568,875				568,875	464,217
Health and welfare	14,847,190				14,847,190	20,479,451
Community and economic development	1,460				1,460	
Debt service		2,578,085	39,655		2,617,740	2,585,360
Capital outlay			2,293,633		2,293,633	
Total expenditures	25,758,272	2,578,085	2,333,288		30,669,645	37,124,695
Revenues over (under) expenditures	(5,092,193)	(762,500)	(2,332,134)	23	(8,186,804)	(6,127,353)
Other financing sources (uses):						
Transfers in (out):						
General Fund	5,120,496				5,120,496	5,359,135
9/30 Judicial Grants	14,449				14,449	9,682
Infrastructure		125,000			125,000	125,000
Other Governmental Grants						(9,707)
Delinquent Tax Revolving		150,000			150,000	150,000
Public Improvement		187,500			187,500	187,900
Emergency Feeding						37,914
Community Action Agency 9/30 Grant Programs						65,606
Workforce Investment Act - Administrative Cost Pool						950
Workforce Investment Act - Adult						510
Workforce Investment Act 6/30 Grant Programs						64,731
Workforce Investment Act 9/30 Grant Programs						(5,099)
Workforce Investment Act 12/31 Grant Programs						23,051
Michigan Works						(102,574)
Community Action Agency						(122,322)
Weatherization						37,233
Sheriff Grants & Contracts						(1,973)
Sheriff 9/30 Grants						1,973
Veternan's Trust						25
Telecommunications		150,000			150,000	150,000
Ottawa County, Michigan Insurance Authority		150,000			150,000	150,000
Issuance of bonds			5,495,000		5,495,000	
Total other financing sources (uses)	5,134,945	762,500	5,495,000		11,392,445	6,122,035
Net change in fund balances	42,752		3,162,866	23	3,205,641	(5,318)
Fund balances, beginning of year	3,045,253			5,814	3,051,067	3,056,385
Fund balances, end of year	\$3,088,005	None	\$3,162,866	\$5,837	\$6,256,708	\$3,051,067

(Concluded)

COUNTY OF OTTAWA

**FRIEND OF THE COURT SPECIAL REVENUE FUND (2160) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$2,145,353	\$2,081,915	\$2,073,405	(\$8,510)	\$2,036,615
Charges for services	431,650	283,331	257,706	(25,625)	453,139
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other					
Total revenues	2,577,003	2,365,246	2,331,111	(34,135)	2,489,754
Expenditures:					
Current operations:					
Personnel services	2,608,813	2,518,330	2,521,316	(2,986)	2,517,735
Supplies	45,400	53,270	50,159	3,111	40,608
Other services and charges	605,979	672,011	648,401	23,610	626,953
Capital outlay					
Total expenditures	3,260,192	3,243,611	3,219,876	23,735	3,185,296
Revenues over (under) expenditures	(683,189)	(878,365)	(888,765)	(10,400)	(695,542)
Other financing sources (uses):					
Transfers in (out):					
General Fund	683,189	878,365	888,765	10,400	695,542
Total other financing sources (uses)	683,189	878,365	888,765	10,400	695,542
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

**9/30 JUDICIAL GRANTS SPECIAL REVENUE FUND (2170) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$309,035
Charges for services				46,203
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				16,137
Total revenues				371,375
Expenditures:				
Current operations:				
Personnel services				308,501
Supplies				24,882
Other services and charges				50,484
Capital outlay				
Total expenditures				383,867
Revenues over (under) expenditures				(12,492)
Other financing sources (uses):				
Transfers in (out):				
General Fund				12,087
Other Governmental Grants				(9,682)
Total other financing sources (uses)				2,405
Net change in fund balance				(10,087)
Fund balance, beginning of year				10,087
Fund balance, end of year	Closed	Closed	Closed	Closed

COUNTY OF OTTAWA

**OTHER GOVERNMENTAL GRANTS SPECIAL REVENUE FUND (2180) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$348,978	\$433,871	\$544,461	\$110,590	\$92,562
Charges for services	45,000	45,000	45,204	204	10,994
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other		13,756	9,972	(3,784)	2,250
Total revenues	393,978	492,627	599,637	107,010	105,806
Expenditures:					
Current operations:					
Personnel services	206,565	225,814	265,944	(40,130)	74,145
Supplies	12,205	36,835	36,519	316	2,136
Other services and charges	220,329	275,099	305,943	(30,844)	21,654
Capital outlay					
Total expenditures	439,099	537,748	608,406	(70,658)	97,935
Revenues over (under) expenditures	(45,121)	(45,121)	(8,769)	36,352	7,871
Other financing sources (uses):					
Transfers in (out):					
General Fund	44,647	44,647	14,449	(30,198)	
Veteran's Trust					25
9/30 Judicial Grant					9,682
Total other financing sources (uses)	44,647	44,647	14,449	(30,198)	9,707
Net change in fund balance	(474)	(474)	5,680	6,154	17,578
Fund balance, beginning of year	17,578	17,578	17,578		
Fund balance, end of year	<u>\$17,104</u>	<u>\$17,104</u>	<u>\$23,258</u>	<u>\$6,154</u>	<u>\$17,578</u>

COUNTY OF OTTAWA

**LANDFILL TIPPING FEES SPECIAL REVENUE FUND (2272) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues		\$39,887	\$39,473	(\$414)	
Charges for services	\$345,000	320,000	316,499	(3,501)	\$340,902
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other	32,110	35,102	34,967	(135)	33,197
Total revenues	377,110	394,989	390,939	(4,050)	374,099
Expenditures:					
Current operations:					
Personnel services	233,711	228,330	227,213	1,117	181,944
Supplies	14,538	13,763	12,829	934	8,703
Other services and charges	131,311	150,726	131,872	18,854	116,001
Capital outlay					
Total expenditures	379,560	392,819	371,914	20,905	306,648
Revenues over (under) expenditures	(2,450)	2,170	19,025	16,855	67,451
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance	(2,450)	2,170	19,025	16,855	67,451
Fund balance, beginning of year	1,073,068	1,073,068	1,073,068		1,005,617
Fund balance, end of year	\$1,070,618	\$1,075,238	\$1,092,093	\$16,855	\$1,073,068

COUNTY OF OTTAWA

**TRANSPORTATION SYSTEM SPECIAL REVENUE FUND (2320) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$157,569
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				
Total revenues				157,569
Expenditures:				
Current operations:				
Personnel services				
Supplies				
Other services and charges				157,569
Capital outlay				
Total expenditures				157,569
Revenues over (under) expenditures				
Other financing sources (uses):				
Transfers in (out):				
General Fund				
Total other financing sources (uses)				
Net change in fund balance				
Fund balance, beginning of year				
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**FARMLAND PRESERVATION SPECIAL REVENUE FUND (2340) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services					
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other					
Total revenues					
Expenditures:					
Current operations:					
Personnel services					
Supplies		\$397	\$396	\$1	
Other services and charges					
Capital outlay					
Total expenditures		397	396	1	
Revenues over (under) expenditures		(397)	(396)	1	
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance		(397)	(396)	1	
Fund balance, beginning of year	\$1,000	1,000	1,000		\$1,000
Fund balance, end of year	<u>\$1,000</u>	<u>\$603</u>	<u>\$604</u>	<u>\$1</u>	<u>\$1,000</u>

COUNTY OF OTTAWA

**BROWNFIELD REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND (2430) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Taxes		\$487	\$486		\$371
Intergovernmental revenues					
Charges for services					
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other					
Total revenues		487	486		371
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges		1,088	1,064	\$24	
Capital outlay					
Total expenditures		1,088	1,064	24	
Revenues over (under) expenditures		(601)	(578)	24	371
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance		(601)	(578)	24	371
Fund balance, beginning of year	\$871	871	871		500
Fund balance, end of year	\$871	\$270	\$293	\$24	\$871

COUNTY OF OTTAWA

**HOMESTEAD PROPERTY TAX SPECIAL REVENUE FUND (2550) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Taxes	\$12,000	\$12,000	\$7,948	(\$4,052)	\$11,049
Intergovernmental revenues					
Charges for services					
Investment earnings (loss)	634	634	(50)	(684)	604
Licenses and permits					
Rental income					
Other					7,000
Total revenues	12,634	12,634	7,898	(4,736)	18,653
Expenditures:					
Personnel services					
Supplies	400	400	399	1	400
Other services and charges	1,400	1,800	1,400	400	580
Capital outlay					7,000
Debt Service	3,500	3,500	3,500		15,498
Total expenditures	5,300	5,700	5,299	401	23,478
Revenues over (under) expenditures	7,334	6,934	2,599	(4,335)	(4,825)
Other financing sources (uses):					
Transfers in (out):					
General Fund	(45,937)	(49,355)	(49,356)	(1)	(7,172)
Capital leases					
Total other financing sources (uses)	(45,937)	(49,355)	(49,356)	(1)	(7,172)
Net change in fund balance	(38,603)	(42,421)	(46,757)	(4,336)	(11,997)
Fund balance, beginning of year	49,356	49,356	49,356		61,353
Fund balance, end of year	\$10,753	\$6,935	\$2,599	(\$4,336)	\$49,356

COUNTY OF OTTAWA

**REGISTER OF DEEDS TECHNOLOGY SPECIAL REVENUE FUND (2560) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services	\$259,450	\$275,000	\$279,755	\$4,755	\$273,783
Investment earnings (loss)	3,973	3,973	(561)	(4,534)	5,091
Licenses and permits					
Rental income					
Other					
Total revenues	263,423	278,973	279,194	221	278,874
Expenditures:					
Personnel services	20,759	23,353	21,893	1,460	19,756
Supplies	1,390	21,820	19,127	2,693	14,161
Other services and charges	175,927	178,997	167,538	11,459	155,517
Capital outlay	23,000	23,000	10,000	13,000	
Debt Service					
Total expenditures	221,076	247,170	218,558	28,612	189,434
Revenues over (under) expenditures	42,347	31,803	60,636	28,833	89,440
Other financing sources (uses):					
Capital leases					
Total other financing sources (uses)					
Net change in fund balance	42,347	31,803	60,636	28,833	89,440
Fund balance, beginning of year	513,556	513,556	513,556		424,116
Fund balance, end of year	\$555,903	\$545,359	\$574,192	\$28,833	\$513,556

COUNTY OF OTTAWA

**PROSECUTING ATTORNEY GRANTS SPECIAL REVENUE FUND (2601) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$140,400
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				622
Total revenues				141,022
Expenditures:				
Current operations:				
Personnel services				192,049
Supplies				8,411
Other services and charges				3,282
Capital outlay				
Total expenditures				203,742
Revenues over (under) expenditures				(62,720)
Other financing sources (uses):				
Transfers in (out):				
General Fund				62,720
Total other financing sources (uses)				62,720
Net change in fund balance				
Fund balance, beginning of year				
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**SHERIFF 9/30 GRANT PROGRAMS SPECIAL REVENUE FUND (2609) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					\$716,787
Charges for services					
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other					
Total revenues					716,787
Expenditures:					
Current operations:					
Personnel services					46,245
Supplies					132,904
Other services and charges					35,103
Capital outlay					501,641
Total expenditures					715,893
Revenues over (under) expenditures					894
Other financing sources (uses):					
Transfers in (out):					
Sheriff Grants & Contracts					(1,973)
Total other financing sources (uses)					(1,973)
Net change in fund balance					(1,079)
Fund balance, beginning of year					1,079
Fund balance, end of year	Closed	Closed	Closed	Closed	Closed

COUNTY OF OTTAWA

**SHERIFF CONTRACTS SPECIAL REVENUE FUND (2610) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					\$5,474,448
Charges for services					
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other					1,950
Total revenues					5,476,398
Expenditures:					
Current operations:					
Personnel services					5,014,153
Supplies					136,724
Other services and charges					630,283
Capital outlay					
Total expenditures					5,781,160
Revenues over (under) expenditures					(304,762)
Other financing sources (uses):					
Transfers in (out):					
General Fund					306,287
Total other financing sources (uses)					306,287
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**SHERIFF GRANTS & CONTRACTS SPECIAL REVENUE FUND (2630) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$6,180,107	\$6,382,981	\$6,071,651	(\$311,330)	\$1,582,765
Charges for services		10,200	10,200		
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other		250	250		
Total revenues	6,180,107	6,393,431	6,082,101	(311,330)	1,582,765
Expenditures:					
Current operations:					
Personnel services	5,770,257	5,892,913	5,668,287	224,626	1,410,564
Supplies	180,374	221,860	170,616	51,244	77,422
Other services and charges	764,690	793,467	666,757	126,710	165,968
Capital outlay		24,514	30,509	(5,995)	11,963
Total expenditures	6,715,321	6,932,754	6,536,169	396,585	1,665,917
Revenues over (under) expenditures	(535,214)	(539,323)	(454,068)	85,255	(83,152)
Other financing sources (uses):					
Transfers in (out):					
General Fund	535,214	539,323	457,477	(81,846)	82,790
Sheriff 9/30 Grant Programs					1,973
Total other financing sources (uses)	535,214	539,323	457,477	(81,846)	84,763
Net change in fund balance			3,409	3,409	1,611
Fund balance, beginning of year	1,611	1,611	1,611		
Fund balance, end of year	\$1,611	\$1,611	\$5,020	\$3,409	\$1,611

COUNTY OF OTTAWA

**SHERIFF ROAD PATROL SPECIAL REVENUE FUND (2661) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$171,630
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				
Total revenues				171,630
Expenditures:				
Current operations:				
Personnel services				243,772
Supplies				8,168
Other services and charges				41,346
Capital outlay				
Total expenditures				293,286
Revenues over (under) expenditures				(121,656)
Other financing sources (uses):				
Transfers in (out):				
General Fund				121,656
Total other financing sources (uses)				121,656
Net change in fund balance				
Fund balance, beginning of year				
Fund balance, end of year	Closed	Closed	Closed	Closed

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT - ADMINISTRATIVE COST POOL SPECIAL REVENUE FUND (2740) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2013
(with comparative actual amounts for the year ended June 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$349,241
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				
Total revenues				349,241
Expenditures:				
Current operations:				
Personnel services				219,092
Supplies				12,292
Other services and charges				117,855
Capital outlay				
Total expenditures				349,239
Revenues over (under) expenditures				2
Other financing sources (uses):				
Transfers in (out):				
Michigan Works				(950)
Total other financing sources (uses)				(950)
Net change in fund balance				(948)
Fund balance, beginning of year				948
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT - YOUTH SPECIAL REVENUE FUND (2741) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2013
(with comparative actual amounts for the year ended June 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$927,276
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				
Total revenues				927,276
Expenditures:				
Current operations:				
Personnel services				162,531
Supplies				4,200
Other services and charges				760,545
Capital outlay				
Total expenditures				927,276
Revenues over (under) expenditures				
Other financing sources (uses):				
Transfers in (out):				
General Fund				
Total other financing sources (uses)				
Net change in fund balance				
Fund balance, beginning of year				
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT - ADULT SPECIAL REVENUE FUND (2742) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2013
(with comparative actual amounts for the year ended June 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$917,005
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				
Total revenues				917,005
Expenditures:				
Current operations:				
Personnel services				113,346
Supplies				2,760
Other services and charges				800,900
Capital outlay				
Total expenditures				917,006
Revenues over (under) expenditures				(1)
Other financing sources (uses):				
Transfers in (out):				
Michigan Works				(510)
Total other financing sources (uses)				(510)
Net change in fund balance				(511)
Fund balance, beginning of year				511
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT - 6/30 GRANT PROGRAMS
SPECIAL REVENUE FUND (2743) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2013
(with comparative actual amounts for the year ended June 30, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					\$1,400,142
Charges for services					
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other					
Total revenues					1,400,142
Expenditures:					
Current operations:					
Personnel services					138,604
Supplies					8,029
Other services and charges					1,252,629
Capital outlay					
Total expenditures					1,399,262
Revenues over (under) expenditures					880
Other financing sources (uses):					
Transfers in (out):					
Michigan Works					(44,828)
Community Action Agency					(19,903)
Total other financing sources (uses)					(64,731)
Net change in fund balance					(63,851)
Fund balance, beginning of year					63,851
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT - 12/31 GRANT PROGRAMS
SPECIAL REVENUE FUND (2744) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					\$16,875
Charges for services					
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other					25
Total revenues					16,900
Expenditures:					
Current operations:					
Personnel services					5,380
Supplies					65
Other services and charges					41,959
Capital outlay					
Total expenditures					47,404
Revenues over (under) expenditures					(30,504)
Other financing sources (uses):					
Transfers in (out):					
Michigan Works					(23,051)
Total other financing sources (uses)					(23,051)
Net change in fund balance					(53,555)
Fund balance, beginning of year					53,555
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**MICHIGAN WORKS SPECIAL REVENUE FUND (2745) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues		\$12,647,604	\$5,196,564	(\$7,451,040)	\$2,106,946
Charges for services					
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other		96,168	35,095	(61,073)	9,682
Total revenues		12,743,772	5,231,659	(7,512,113)	2,116,628
Expenditures:					
Current operations:					
Personnel services		3,971,332	2,085,573	1,885,759	725,124
Supplies		195,225	86,092	109,133	31,230
Other services and charges		8,649,152	3,059,994	5,589,158	1,367,179
Capital outlay					
Total expenditures		12,815,709	5,231,659	7,584,050	2,123,533
Revenues over (under) expenditures		(71,937)		71,937	(6,905)
Other financing sources (uses):					
Transfers in (out):					
Workforce Investment Act - Administra Cost pool					950
Workforce Investment Act - Adult					510
Workforce Investment Act - 6/30 Grant Programs					44,828
Community Action Agency					43,054
Workforce Investment Act - 9/30 Grant Programs					13,234
Total other financing sources (uses)					102,576
Net change in fund balance		(71,937)		71,937	95,671
Fund balance, beginning of year	\$95,671	95,671	95,671		
Fund balance, end of year	<u>\$95,671</u>	<u>\$23,734</u>	<u>\$95,671</u>	<u>\$71,937</u>	<u>\$95,671</u>

COUNTY OF OTTAWA

**COMMUNITY ACTION AGENCY SPECIAL REVENUE FUND (2746) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013			2012 Actual	
	Original Budget	Final Amended Budget	Actual		Variance
Revenues:					
Intergovernmental revenues		\$2,864,561	\$1,354,948	(\$1,509,613)	\$641,942
Charges for services			283	283	
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other		108,530	45,101	(63,429)	46,381
Total revenues		2,973,091	1,400,332	(1,572,759)	688,323
Expenditures:					
Current operations:					
Personnel services		918,447	401,411	517,036	199,440
Supplies		381,146	473,236	(92,090)	259,309
Other services and charges		1,723,433	521,697	1,201,736	259,330
Capital outlay					
Total expenditures		3,023,026	1,396,344	1,626,682	718,079
Revenues over (under) expenditures		(49,935)	3,988	53,923	(29,756)
Other financing sources (uses):					
Transfers in (out):					
Community Action Agency 9/30					68,827
Workforce Investment Act - 6/30					
Grant Programs					19,903
Michigan Works					(43,054)
Emergency Feeding					39,413
Workforce Investment Act - 9/30					
Grant Programs					(18,333)
Workforce Investment Act - 12/31					
Grant Programs					23,051
Weatherization					37,233
Total other financing sources (uses)					127,040
Net change in fund balance		(49,935)	3,988	53,923	97,284
Fund balance, beginning of year	\$97,284	97,284	97,284		
Fund balance, end of year	<u>\$97,284</u>	<u>\$47,349</u>	<u>\$101,272</u>	<u>\$53,923</u>	<u>\$97,284</u>

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT-9/30 GRANT PROGRAMS
SPECIAL REVENUE FUND (2748) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$3,458,460
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				179,852
Total revenues				3,638,312
Expenditures:				
Current operations:				
Personnel services				355,611
Supplies				56,842
Other services and charges				3,244,191
Capital outlay				
Total expenditures				3,656,644
Revenues over (under) expenditures				(18,332)
Other financing sources (uses):				
Transfers in (out):				
Community Action Agency				18,331
Michigan Works				(13,232)
Total other financing sources (uses)				5,099
Net change in fund balance				(13,233)
Fund balance, beginning of year				13,233
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

WORKFORCE INVESTMENT ACT-3/31 GRANT PROGRAMS
 SPECIAL REVENUE FUND (2749) -
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended March 31, 2013
 (with comparative actual amounts for the year ended March 31, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$5,878
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				
Total revenues				5,878
Expenditures:				
Current operations:				
Personnel services				
Supplies				131
Other services and charges				5,747
Capital outlay				
Total expenditures				5,878
Revenues over (under) expenditures				
Other financing sources (uses):				
Transfers in (out):				
General Fund				
Total other financing sources (uses)				
Net change in fund balance				
Fund balance, beginning of year				
Fund balance, end of year	Closed	Closed	Closed	Closed

COUNTY OF OTTAWA

**GRANT PROGRAMS - PASS THRU SPECIAL REVENUE FUND (2750)-
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					\$156,997
Charges for services					
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other					
Total revenues					156,997
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges					32,726
Capital outlay					124,271
Total expenditures					156,997
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**EMERGENCY FEEDING SPECIAL REVENUE FUND (2800) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$315,406
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				
Total revenues				315,406
Expenditures:				
Current operations:				
Personnel services				27,607
Supplies				229,320
Other services and charges				32,336
Capital outlay				
Total expenditures				289,263
Revenues over (under) expenditures				26,143
Other financing sources (uses):				
Transfers in (out):				
Community Action Agency 9/30				1,499
Community Action Agency				(39,413)
Total other financing sources (uses)				(37,914)
Net change in fund balance				(11,771)
Fund balance, beginning of year				11,771
Fund balance, end of year	Closed	Closed	Closed	Closed

COUNTY OF OTTAWA

**FEDERAL EMERGENCY MANAGEMENT AGENCY SPECIAL REVENUE FUND (2810) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$2,805
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				
Total revenues				2,805
Expenditures:				
Current operations:				
Personnel services				
Supplies				
Other services and charges				2,805
Capital outlay				
Total expenditures				2,805
Revenues over (under) expenditures				
Other financing sources (uses):				
Transfers in (out):				
Community Action Agency				
Total other financing sources (uses)				
Net change in fund balance				
Fund balance, beginning of year				
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**COMMUNITY CORRECTIONS SPECIAL REVENUE FUND (2850) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$236,041
Charges for services				170,122
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				10,416
Total revenues				416,579
Expenditures:				
Current operations:				
Personnel services				555,552
Supplies				23,416
Other services and charges				337,609
Capital outlay				
Total expenditures				916,577
Revenues over (under) expenditures				(499,998)
Other financing sources (uses):				
Transfers in (out):				
General Fund				393,306
9/30 Judicial Grants				
Total other financing sources (uses)				393,306
Net change in fund balance				(106,692)
Fund balance, beginning of year				106,692
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**COMMUNITY ACTION AGENCY 9/30 SPECIAL REVENUE FUND (2870) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$406,937
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				41,561
Total revenues				448,498
Expenditures:				
Current operations:				
Personnel services				249,082
Supplies				11,381
Other services and charges				224,544
Capital outlay				
Total expenditures				485,007
Revenues over (under) expenditures				(36,509)
Other financing sources (uses):				
Transfers in (out):				
General Fund				26,750
Emergency Feeding				(1,499)
Community Action Agency				(68,827)
Total other financing sources (uses)				(43,576)
Net change in fund balance				(80,085)
Fund balance, beginning of year				80,085
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**WEATHERIZATION SPECIAL REVENUE FUND (2890) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended March 31, 2013
(with comparative actual amounts for the year ended March 31, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$1,388,928
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				82,152
Total revenues				1,471,080
Expenditures:				
Current operations:				
Personnel services				351,691
Supplies				945,794
Other services and charges				159,476
Capital outlay				
Total expenditures				1,456,961
Revenues over (under) expenditures				14,119
Other financing sources (uses):				
Transfers in (out):				
General Fund				
Community Action Agency				(37,233)
Total other financing sources (uses)				(37,233)
Net change in fund balance				(23,114)
Fund balance, beginning of year				23,114
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**DEPARTMENT OF HUMAN SERVICES SPECIAL REVENUE FUND (2901) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$150,000	\$150,000	\$22,129	(\$127,871)	\$165,677
Charges for services					
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other					
Total revenues	150,000	150,000	22,129	(127,871)	165,677
Expenditures:					
Current operations:					
Personnel services					
Supplies	593	593	64	529	1,150
Other services and charges	193,097	193,097	60,388	132,709	236,042
Capital outlay					
Total expenditures	193,690	193,690	60,452	133,238	237,192
Revenues over (under) expenditures	(43,690)	(43,690)	(38,323)	5,367	(71,515)
Other financing sources (uses):					
Transfers in (out):					
General Fund	43,690	43,690	43,690		73,670
Total other financing sources (uses)	43,690	43,690	43,690		73,670
Net change in fund balance			5,367	5,367	2,155
Fund balance, beginning of year	23,165	23,165	23,165		21,010
Fund balance, end of year	\$23,165	\$23,165	\$28,532	\$5,367	\$23,165

COUNTY OF OTTAWA

**CHILD CARE - CIRCUIT COURT SPECIAL REVENUE FUND (2920) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$3,878,044	\$3,926,829	\$3,525,744	(\$401,085)	\$3,356,492
Charges for services					
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other	735,236	735,236	794,849	59,613	826,143
Total revenues	4,613,280	4,662,065	4,320,593	(341,472)	4,182,635
Expenditures:					
Current operations:					
Personnel services	4,563,773	4,584,773	4,101,414	483,359	4,008,833
Supplies	210,422	210,422	185,481	24,941	205,436
Other services and charges	4,016,876	4,044,661	3,821,240	223,421	3,559,737
Capital outlay					
Total expenditures	8,791,071	8,839,856	8,108,135	731,721	7,774,006
Revenues over (under) expenditures	(4,177,791)	(4,177,791)	(3,787,542)	390,249	(3,591,371)
Other financing sources (uses):					
Transfers in (out):					
General Fund	3,977,791	3,977,791	3,779,920	(197,871)	3,591,371
Total other financing sources (uses)	3,977,791	3,977,791	3,779,920	(197,871)	3,591,371
Net change in fund balance	(200,000)	(200,000)	(7,622)	192,378	
Fund balance, beginning of year	1,172,093	1,172,093	1,172,093		1,172,093
Fund balance, end of year	\$972,093	\$972,093	\$1,164,471	\$192,378	\$1,172,093

COUNTY OF OTTAWA

**CHILD CARE - SOCIAL SERVICES SPECIAL REVENUE FUND (2921) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				\$128
Charges for services				
Investment earnings (loss)				
Licenses and permits				
Rental income				
Other				
Total revenues				128
Expenditures:				
Current operations:				
Personnel services				
Supplies				
Other services and charges				256
Capital outlay				
Total expenditures				256
Revenues over (under) expenditures				(128)
Other financing sources (uses):				
Transfers in (out):				
General Fund				128
Total other financing sources (uses)				128
Net change in fund balance				
Fund balance, beginning of year				
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**VETERANS TRUST SPECIAL REVENUE FUND (2941) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2013
(with comparative actual amounts for the year ended September 30, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					\$71,725
Charges for services					
Investment earnings (loss)					
Licenses and permits					
Rental income					
Other					25
Total revenues					71,750
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges					71,725
Capital outlay					
Total expenditures					71,725
Revenues over (under) expenditures					25
Other financing sources (uses):					
Transfers in (out):					
Other Government Grants					(25)
Total other financing sources (uses)					(25)
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>

COUNTY OF OTTAWA

**OTTAWA COUNTY BUILDING AUTHORITY DEBT SERVICE FUND (3515 - 3517) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Investment earnings (loss)					
Rental income	\$1,816,144	\$1,816,144	\$1,815,585	(\$559)	\$1,822,460
Total revenues	<u>1,816,144</u>	<u>1,816,144</u>	<u>1,815,585</u>	<u>(559)</u>	<u>1,822,460</u>
Expenditures:					
Debt service:					
Principal retirement	1,690,000	1,690,000	1,690,000		1,635,000
Interest and fiscal charges	888,644	888,644	888,085	559	950,360
Bond issuance costs					
Total expenditures	<u>2,578,644</u>	<u>2,578,644</u>	<u>2,578,085</u>	<u>559</u>	<u>2,585,360</u>
Revenues over (under) expenditures	<u>(762,500)</u>	<u>(762,500)</u>	<u>(762,500)</u>		<u>(762,900)</u>
Other financing sources (uses):					
Transfers in (out)					
Infrastructure	125,000	125,000	125,000		125,000
Public Improvement Fund	187,500	187,500	187,500		187,900
Delinquent Tax Revolving Fund	150,000	150,000	150,000		150,000
Telecommunications	150,000	150,000	150,000		150,000
Ottawa County, Michigan Insurance Authority	150,000	150,000	150,000		150,000
Premium on refunding bonds					
Payment to refunding bond					
Total other financing sources (uses)	<u>762,500</u>	<u>762,500</u>	<u>762,500</u>		<u>762,900</u>
Net change in fund balance					
Fund balances, beginning of year					
Fund balances, end of year	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

COUNTY OF OTTAWA

**QUALIFIED ENERGY CONSERVATION BOND CAPITAL PROJECTS FUND (4010) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013			2012 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Investment earnings (loss)		\$1,100	\$1,154	\$54
Other				
Total revenues		1,100	1,154	54
Expenditures:				
Capital outlay		\$5,453,677	\$2,293,633	\$3,160,044
Bond issue costs		41,323	39,655	1,668
Total expenditures		5,495,000	2,333,288	3,161,712
Revenues over (under) expenditures		(5,493,900)	(2,332,134)	3,161,766
Other financing sources (uses):				
Transfers in (out):				
Issuance of bonds		5,495,000	5,495,000	
Premium on bonds issued				
Total other financing sources (uses)		5,495,000	5,495,000	
Net change in fund balance		1,100	3,162,866	3,161,766
Fund balances, beginning of year				
Fund balances, end of year	None	\$1,100	\$3,162,866	\$3,161,766

COUNTY OF OTTAWA

**CEMETERY TRUST PERMANENT FUND (1500)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

	2013				2012 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services					
Interest on investments	\$44	\$44	\$23	(\$21)	\$44
Licenses and permits					
Rental income					
Other					
Total revenues	44	44	23	(21)	44
Expenditures:					
Personnel services					
Supplies					
Other services and charges					
Capital outlay					
Total expenditures					
Revenues over (under) expenditures	44	44	23	(21)	44
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance	44	44	23	(21)	44
Fund balance, beginning of year	5,814	5,814	5,814		5,770
Fund balance, end of year	\$5,858	\$5,858	\$5,837	(\$21)	\$5,814

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

Internal Service Funds are established to account for the financing of goods or services provided by one department to other departments of the governmental unit on a cost-reimbursement basis.

Innovation and Technology Fund (6360) - The Information Technology Fund is used to account for revenues collected from user departments for service charges to cover the costs incurred in the operation of the department including computer processing time and programming time.

Duplicating Fund (6450) - The Duplicating Fund is used to account for revenues received from user departments and expenses incurred in providing copier services.

Telecommunications Fund (6550) - The Telecommunications Fund is used to account for revenues received from user departments and expenses incurred in providing telephone service.

Equipment Pool Fund (6641) - The Equipment Pool Fund is used to account for revenues collected from user departments for the equipment rental charges to cover the costs incurred to administer the equipment pool fund and depreciation of the equipment.

Protected Self-Funded Insurance Programs Fund (6770) - The Protected Self-Funded Insurance Programs Fund is used to account for the administrative costs associated with managing the self-insured portion of the vehicle protection program, the workers' compensation program, the liability protection program and the property and fire protection program.

Employee Benefits Fund (6771) - The Protected Self-Funded Employee Insurance Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the employee insurance programs, third party administrative expenses and actual premiums paid.

Protected Self-Funded Unemployment Fund (6772) - The protected Self-Funded Unemployment Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the self-funded unemployment insurance program, third party administrative expenses and actual unemployment claims paid.

Long-Term Disability Insurance Fund (6775) - The Long-term Disability Insurance Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the long-term disability insurance program and insurance premiums paid.

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

Ottawa County, Michigan Insurance Authority Fund (6780) - The Ottawa County, Michigan Insurance Authority Fund is used to account for insurance coverage and risk management related services to participating public entities pursuant to State of Michigan Act No. 36 of the Public Acts of 1988.

Protected Self-Funded Insurance - Mental Health Fund (6782) - The Protected Self-Funded Insurance - Mental Health Fund is used to account for funds covering risk exposure under the Managed Care Specialty Services Program.

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2013
(with comparative totals for December 31, 2012)

	Innovation and Technology (6360)	Duplicating (6450)	Telecom- munications (6550)	Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Employee Benefits (6771)
ASSETS						
Current assets:						
Cash and pooled investments	\$2,040,694	\$529,786	\$2,384,085	\$2,163,913		\$1,853,857
Investments						
Accounts receivable	21		9,136			50,000
Accrued interest on investments						
Due from other funds					\$4,770,691	
Inventory of supplies						
Prepaid expenses	310,987		16,908		10,000	2,500
Total current assets	<u>2,351,702</u>	<u>529,786</u>	<u>2,410,129</u>	<u>2,163,913</u>	<u>4,780,691</u>	<u>1,906,357</u>
Noncurrent assets:						
Capital assets:						
Office furniture and equipment				4,927,766		
Copy machines		208,804				
Telephone equipment			2,208,087			
Vehicles				5,033,877		
Less accumulated depreciation		(78,020)	(1,659,759)	(7,582,545)		
Net capital assets		<u>130,784</u>	<u>548,328</u>	<u>2,379,098</u>		
Total assets	<u>2,351,702</u>	<u>660,570</u>	<u>2,958,457</u>	<u>4,543,011</u>	<u>4,780,691</u>	<u>1,906,357</u>
LIABILITIES						
Current liabilities:						
Accounts payable	147,306	255	12,635	54,124	328,820	31,949
Interfund payable					563,020	
Due to other funds						
Due to other governmental units						
Total liabilities	<u>147,306</u>	<u>255</u>	<u>12,635</u>	<u>54,124</u>	<u>891,840</u>	<u>31,949</u>
NET POSITION						
Investment in capital assets		130,784	548,328	2,379,098		
Restricted for managed care risk exposure						
Unrestricted	<u>2,204,396</u>	<u>529,531</u>	<u>2,397,494</u>	<u>2,109,789</u>	<u>3,888,851</u>	<u>1,874,408</u>
Total net position	<u>\$2,204,396</u>	<u>\$660,315</u>	<u>\$2,945,822</u>	<u>\$4,488,887</u>	<u>\$3,888,851</u>	<u>\$1,874,408</u>

(Continued on next page)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2013
(with comparative totals for December 31, 2012)

	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
					2013	2012
ASSETS						
Current assets:						
Cash and pooled investments	\$593,520	\$124,567	\$545,585	\$2,174,638	\$12,410,645	\$13,759,229
Investments			32,259,271		32,259,271	28,323,398
Accounts receivable			216,242		275,399	221,123
Accrued interest on investments			118,241		118,241	125,626
Due from other funds					4,770,691	4,801,743
Inventory of supplies						55,826
Prepaid expenses			100,664		441,059	417,090
Total current assets	593,520	124,567	33,240,003	2,174,638	50,275,306	47,704,035
Noncurrent assets:						
Capital assets:						
Office furniture and equipment					4,927,766	4,736,358
Copy machines					208,804	173,466
Telephone equipment					2,208,087	2,208,087
Vehicles					5,033,877	4,713,781
Less accumulated depreciation					(9,320,324)	(9,013,267)
Net capital assets					3,058,210	2,818,425
Total assets	593,520	124,567	33,240,003	2,174,638	53,333,516	50,522,460
LIABILITIES						
Current liabilities:						
Accounts payable	32,212	232	7,201,339		7,808,872	8,290,564
Interfund payable					563,020	457,941
Due to other funds			4,770,691		4,770,691	4,701,162
Due to other governmental units	37,955			94,284	132,239	174,416
Total liabilities	70,167	232	11,972,030	94,284	13,274,822	13,624,083
NET POSITION						
Investment in capital assets					3,058,210	2,818,425
Restricted for managed care risk exposure				2,080,354	2,080,354	2,075,992
Unrestricted	523,353	124,335	21,267,973		34,920,130	32,003,960
Total net position	\$523,353	\$124,335	\$21,267,973	\$2,080,354	\$40,058,694	\$36,898,377

(Concluded)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Innovation and Technology (6360)	Duplicating (6450)	Telecom- munications (6550)	Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Employee Benefits (6771)
Operating revenues:						
Charges for services	\$2,888,421	\$78,057	\$555,243	\$702,696	\$160,294	\$11,245,258
Other revenue			2,045			
Total operating revenues	<u>2,888,421</u>	<u>78,057</u>	<u>557,288</u>	<u>702,696</u>	<u>160,294</u>	<u>11,245,258</u>
Operating expenses:						
Personnel services	1,506,094	12,052	118,252	42,621	149,927	189,811
Contractual services						
Supplies	99,079	58,794	3,060	3,258	83	1,809
Depreciation		36,372	208,790	769,283		
Building and equipment rental	72,991					
Claims and legal						
Miscellaneous	1,540,366	5,928	256,598		118,528	11,198,866
Total operating expenses	<u>3,218,530</u>	<u>113,146</u>	<u>586,700</u>	<u>815,162</u>	<u>268,538</u>	<u>11,390,486</u>
Operating income (loss)	<u>(330,109)</u>	<u>(35,089)</u>	<u>(29,412)</u>	<u>(112,466)</u>	<u>(108,244)</u>	<u>(145,228)</u>
Nonoperating revenues (expenses):						
Investment earnings (loss)	(2,308)	(683)	(2,239)	(2,206)	117,035	(682)
Net change in the fair value of investments						
Gain (loss) on retirement of capital assets				21,769		
Total nonoperating revenues (expenses)	<u>(2,308)</u>	<u>(683)</u>	<u>(2,239)</u>	<u>19,563</u>	<u>117,035</u>	<u>(682)</u>
Income (loss) before transfers	<u>(332,417)</u>	<u>(35,772)</u>	<u>(31,651)</u>	<u>(92,903)</u>	<u>8,791</u>	<u>(145,910)</u>
Transfers in (out):						
Ottawa County Building Authority - Debt Service			(150,000)			
General Fund	40,000					
Total transfers	<u>40,000</u>		<u>(150,000)</u>			
Change in net position	<u>(292,417)</u>	<u>(35,772)</u>	<u>(181,651)</u>	<u>(92,903)</u>	<u>8,791</u>	<u>(145,910)</u>
Total net position, beginning of year	2,496,813	696,087	3,127,473	4,581,790	3,880,060	2,020,318
Total net position, end of year	<u>\$2,204,396</u>	<u>\$660,315</u>	<u>\$2,945,822</u>	<u>\$4,488,887</u>	<u>\$3,888,851</u>	<u>\$1,874,408</u>

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COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Protected Self-Funded Unemploy- ment (6772)	Long-Term Disability Insurance (6775)	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
					2013	2012
Operating revenues:						
Charges for services	\$256,450	\$123,005	\$1,693,529		\$17,702,953	\$15,896,496
Other revenue			4,272		6,317	31,973
Total operating revenues	<u>256,450</u>	<u>123,005</u>	<u>1,697,801</u>		<u>17,709,270</u>	<u>15,928,469</u>
Operating expenses:						
Personnel services	52,138	9,555			2,080,450	2,074,378
Contractual services			601,646		601,646	642,264
Supplies					166,083	88,510
Depreciation					1,014,445	882,395
Building and equipment rental					72,991	86,493
Claims and legal			444,271		444,271	306,282
Miscellaneous	287,842	109,233			13,517,361	11,424,661
Total operating expenses	<u>339,980</u>	<u>118,788</u>	<u>1,045,917</u>		<u>17,897,247</u>	<u>15,504,983</u>
Operating income (loss)	<u>(83,530)</u>	<u>4,217</u>	<u>651,884</u>		<u>(187,977)</u>	<u>423,486</u>
Nonoperating revenues (expenses):						
Investment earnings (loss)	(642)	(120)	535,032	\$4,362	647,549	703,919
Net change in the fair value of investments			2,938,976		2,938,976	1,988,335
Gain (loss) on retirement of capital assets					21,769	36,721
Total nonoperating revenues (expenses)	<u>(642)</u>	<u>(120)</u>	<u>3,474,008</u>	<u>4,362</u>	<u>3,608,294</u>	<u>2,728,975</u>
Income (loss) before transfers	<u>(84,172)</u>	<u>4,097</u>	<u>4,125,892</u>	<u>4,362</u>	<u>3,420,317</u>	<u>3,152,461</u>
Transfers in (out):						
Ottawa County Building Authority - Debt Service			(150,000)		(300,000)	(300,000)
General Fund					40,000	
Total transfers			<u>(150,000)</u>		<u>(260,000)</u>	<u>(300,000)</u>
Change in net position	<u>(84,172)</u>	<u>4,097</u>	<u>3,975,892</u>	<u>4,362</u>	<u>3,160,317</u>	<u>2,852,461</u>
Total net position, beginning of year	607,525	120,238	17,292,081	2,075,992	36,898,377	34,045,916
Total net position, end of year	<u>\$523,353</u>	<u>\$124,335</u>	<u>\$21,267,973</u>	<u>\$2,080,354</u>	<u>\$40,058,694</u>	<u>\$36,898,377</u>

(Concluded)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Innovation and Technology (6360)	Duplicating (6450)	Tele- communications (6550)	Equipment Pool (6641)
Cash flows from operating activities:				
Cash received from interfund services provided	\$2,889,004	\$78,057	\$568,585	\$702,696
Cash payments to suppliers for goods and services	(1,635,939)	(67,319)	(266,060)	(3,258)
Cash payments for self-funded insurance claims				
Cash payments to employees for services	(1,506,094)	(12,052)	(118,252)	(42,621)
Net cash provided by (used for) operating activities	<u>(253,029)</u>	<u>(1,314)</u>	<u>184,273</u>	<u>656,817</u>
Cash flows from noncapital financing activities:				
Transfers in from other funds	40,000			
Transfers out to other funds			(150,000)	
Net cash provided by (used for) noncapital financing activities	<u>40,000</u>		<u>(150,000)</u>	
Cash flows from capital and related financing activities:				
Acquisition of capital assets		(75,021)		(1,125,925)
Proceeds from sale of equipment				21,769
Net cash provided by (used for) capital and related financing activities		<u>(75,021)</u>		<u>(1,104,156)</u>
Cash flows from investing activities:				
Purchase of investments				
Interest on investments	24,673	5,476	23,296	25,448
Proceeds on sale of investments				
Net cash provided by (used for) investing activities	<u>24,673</u>	<u>5,476</u>	<u>23,296</u>	<u>25,448</u>
Net increase (decrease) in cash and pooled investments	(188,356)	(70,859)	57,569	(421,891)
Cash and pooled investments, beginning of year	<u>2,229,050</u>	<u>600,645</u>	<u>2,326,516</u>	<u>2,585,804</u>
Cash and pooled investments, end of year	<u><u>\$2,040,694</u></u>	<u><u>\$529,786</u></u>	<u><u>\$2,384,085</u></u>	<u><u>\$2,163,913</u></u>

(Continued on next page)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013
 (with comparative totals for the year ended December 31, 2012)

	Protected Self-Funded Insurance Programs (6770)	Employee Benefits (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)
Cash flows from operating activities:				
Cash received from interfund services provided	\$160,294	\$11,245,258	\$256,450	\$123,005
Cash payments to suppliers for goods and services	(83,715)	(10,989,342)	(249,887)	(109,165)
Cash payments for self-funded insurance claims	(70,706)	(243,720)	(80,132)	
Cash payments to employees for services	(149,927)	(189,811)	(49,683)	(9,555)
Net cash provided by (used for) operating activities	<u>(144,054)</u>	<u>(177,615)</u>	<u>(123,252)</u>	<u>4,285</u>
Cash flows from noncapital financing activities:				
Transfers in from other funds	105,079			
Transfers out to other funds				
Net cash provided by (used for) noncapital financing activities	<u>105,079</u>			
Cash flows from capital and related financing activities:				
Acquisition of capital assets				
Proceeds from sale of equipment				
Net cash provided by (used for) capital and related financing activities				
Cash flows from investing activities:				
Purchase of investments				
Interest on investments	38,975	13,838	6,468	1,033
Proceeds on sale of investments				
Net cash provided by (used for) investing activities	<u>38,975</u>	<u>13,838</u>	<u>6,468</u>	<u>1,033</u>
Net increase (decrease) in cash and pooled investments		(163,777)	(116,784)	5,318
Cash and pooled investments, beginning of year		<u>2,017,634</u>	<u>710,304</u>	<u>119,249</u>
Cash and pooled investments, end of year	<u>None</u>	<u>\$1,853,857</u>	<u>\$593,520</u>	<u>\$124,567</u>

(Continued on next page)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	<u>Totals</u>	
			2013	2012
Cash flows from operating activities:				
Cash received from interfund services provided	\$1,814,836		\$17,838,185	\$16,531,532
Cash payments to suppliers for goods and services	(296,600)		(13,701,285)	(11,848,796)
Cash payments for self-funded insurance claims	(722,891)		(1,117,449)	(1,045,511)
Cash payments to employees for services			(2,077,995)	(2,045,070)
Net cash provided by (used for) operating activities	<u>795,345</u>		<u>941,456</u>	<u>1,592,155</u>
Cash flows from noncapital financing activities:				
Transfers in from other funds			145,079	106,511
Transfers out to other funds	(150,000)		(300,000)	(300,000)
Net cash provided by (used for) noncapital financing activities	<u>(150,000)</u>		<u>(154,921)</u>	<u>(193,489)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets			(1,200,946)	(1,728,503)
Proceeds from sale of equipment			21,769	51,482
Net cash provided by (used for) capital and related financing activities			<u>(1,179,177)</u>	<u>(1,677,021)</u>
Cash flows from investing activities:				
Purchase of investments	(23,335,186)		(23,335,186)	(12,670,606)
Interest on investments	542,417	\$4,362	685,986	598,673
Proceeds on sale of investments	21,693,258		21,693,258	11,870,189
Net cash provided by (used for) investing activities	<u>(1,099,511)</u>	<u>4,362</u>	<u>(955,942)</u>	<u>(201,744)</u>
Net increase (decrease) in cash and pooled investments	(454,166)	4,362	(1,348,584)	(480,099)
Cash and pooled investments, beginning of year	<u>999,751</u>	<u>2,170,276</u>	<u>13,759,229</u>	<u>14,239,328</u>
Cash and pooled investments, end of year	<u>\$545,585</u>	<u>\$2,174,638</u>	<u>\$12,410,645</u>	<u>\$13,759,229</u>

(Continued on next page)

COUNTY OF OTTAWA
 INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the Year Ended December 31, 2013
 (with comparative totals for the year ended December 31, 2012)

	Innovation and Technology (6360)	Duplicating (6450)	Tele- communications (6550)	Equipment Pool (6641)
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	(\$330,109)	(\$35,089)	(\$29,412)	(\$112,466)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation		36,372	208,790	769,283
Change in assets and liabilities not affecting cash provided by (used for) operating activities:				
(Increase) decrease in receivables	583		11,297	
(Increase) decrease in due from other funds				
(Increase) decrease in inventory	55,826			
(Increase) decrease in prepaid expenses	(11,072)		(5,689)	
Increase (decrease) in unpaid claims liability				
Increase (decrease) in unearned revenue				
Increase (decrease) in accounts payable	31,743	(2,597)	(713)	
Increase (decrease) in due to other other governmental units				
Increase (decrease) in due to other funds				
Net cash provided by (used for) operating activities	(\$253,029)	(\$1,314)	\$184,273	\$656,817

(Continued on next page)

COUNTY OF OTTAWA
 INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the Year Ended December 31, 2013
 (with comparative totals for the year ended December 31, 2012)

	Protected Self-Funded Insurance Programs (6770)	Employee Benefits (6771)	Protected Self-Funded Unemploy- ment (6772)	Long- Term Disability Insurance (6775)
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	(\$108,244)	(\$145,228)	(\$83,530)	\$4,217
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation				
Change in assets and liabilities not affecting cash provided by (used for) operating activities:				
(Increase) decrease in receivables		(50,000)		
(Increase) decrease in due from other funds				
(Increase) decrease in inventory				
(Increase) decrease in prepaid expenses		(2,500)		
Increase (decrease) in unpaid claims liability				
Increase (decrease) in unearned revenue				
Increase (decrease) in accounts payable	(35,810)	20,113	2,455	68
Increase (decrease) in due to other other governmental units			(42,177)	
Increase (decrease) in due to other funds				
Net cash provided by (used for) operating activities	<u>(\$144,054)</u>	<u>(\$177,615)</u>	<u>(\$123,252)</u>	<u>\$4,285</u>

(Continued on next page)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
			2013	2012
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$651,884		(\$187,977)	\$423,486
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation			1,014,445	882,395
Change in assets and liabilities not affecting cash provided by (used for) operating activities:				
(Increase) decrease in receivables			(38,120)	(9,857)
(Increase) decrease in due from other funds				499,192
(Increase) decrease in inventory			55,826	(7,225)
(Increase) decrease in prepaid expenses	(4,708)		(23,969)	(16,500)
Increase (decrease) in unpaid claims liability	78,640		78,640	(250,252)
Increase (decrease) in unearned revenue				(11,460)
Increase (decrease) in accounts payable			15,259	2,278
Increase (decrease) in due to other other governmental units			(42,177)	(20,641)
Increase (decrease) in due to other funds	69,529		69,529	100,739
	<u>69,529</u>	<u> </u>	<u>69,529</u>	<u>100,739</u>
Net cash provided by (used for) operating activities	<u>\$795,345</u>	<u> </u>	<u>\$941,456</u>	<u>\$1,592,155</u>

(Concluded)

COUNTY OF OTTAWA

FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

Fiduciary Funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

AGENCY FUNDS

Trust and Agency Fund (7010) - This Fund was established to account for monies received by the County for later distribution to other agencies or persons. Primarily the fund accounts for revenue received and later remitted to the State of Michigan.

Library Penal Fine Fund (7210) - This Fund was established under Act 236, Section 4351 to account for monies received from District Court fines which are allocated annually for operations of libraries in the County.

Imprest Payroll Fund (7040) - This Fund was established to account for the salaries and fringes of the County employees payroll. Money is disbursed from the Imprest Payroll Fund after being reimbursed by the benefiting funds.

Inland Lake Improvement (8725) – The Drain Commissioner serves on various inland lake boards that do not meet the requirements of a component unit. The Drain Commissioner also serves as the treasurer for these boards, so the financial activity is recorded on the County’s general ledger. Accordingly, the County is recording this activity in an agency fund.

COUNTY OF OTTAWA

**FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**

December 31, 2013

(with comparative totals for December 31, 2012)

	Agency Funds				Total	
	Trust and Agency 7010	Library Penal Fine 7210	Imprest Payroll 7040	Inland Lake Improvement 8725	2013	2012
ASSETS						
Cash and pooled investments	\$2,318,096	\$462,962	\$836,096	\$204,530	\$3,821,684	\$3,328,585
Receivables:						
Accounts	152,796				152,796	435,422
Due from other governmental units	62,439				62,439	159,328
Total assets	<u>\$2,533,331</u>	<u>\$462,962</u>	<u>\$836,096</u>	<u>\$204,530</u>	<u>\$4,036,919</u>	<u>\$3,923,335</u>
LIABILITIES						
Liabilities:						
Due to other governmental units:						
Due to State of Michigan	\$1,083,055		\$134,179		\$1,217,234	\$1,204,510
Fines and fees due to local libraries		\$462,962			462,962	438,088
Agency deposits	1,450,276		701,917	\$204,530	2,356,723	2,280,737
Total liabilities	<u>\$2,533,331</u>	<u>\$462,962</u>	<u>\$836,096</u>	<u>\$204,530</u>	<u>\$4,036,919</u>	<u>\$3,923,335</u>

**COUNTY OF OTTAWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2013

	Balances January 1, 2013	Additions	Deductions	Balances December 31, 2013
<u>TRUST AND AGENCY FUND (7010)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$1,946,712	\$130,226,268	\$129,854,884	\$2,318,096
Accounts receivable	435,422	3,005,590	3,288,216	152,796
Due from other governmental units	159,328	1,706,648	1,803,537	62,439
Total assets	\$2,541,462	\$134,938,506	\$134,946,637	\$2,533,331
<u>LIABILITIES</u>				
Due to other taxing units		\$41,032,773	\$41,032,773	
Due to State of Michigan	\$1,066,243	65,901,282	65,884,470	\$1,083,055
Agency deposits	1,475,219	97,272,295	97,297,238	1,450,276
Total liabilities	\$2,541,462	\$204,206,350	\$204,214,481	\$2,533,331
 <u>LIBRARY PENAL FINE FUND (7210)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$438,088	\$863,182	\$838,308	\$462,962
Total assets	\$438,088	\$863,182	\$838,308	\$462,962
<u>LIABILITIES</u>				
Fines and fees due to local libraries	\$438,088	\$882,377	\$857,503	\$462,962
Agency deposits		829,374	829,374	
Total liabilities	\$438,088	\$1,711,751	\$1,686,877	\$462,962

(Continued on next page)

**COUNTY OF OTTAWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2013

	Balances January 1, 2013	Additions	Deductions	Balances December 31, 2013
<u>IMPREST PAYROLL FUND (7040)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$762,679	\$20,014,204	\$19,940,787	\$836,096
Accounts receivable		2,586,794	2,586,794	
Total assets	<u>\$762,679</u>	<u>\$22,600,998</u>	<u>\$22,527,581</u>	<u>\$836,096</u>
<u>LIABILITIES</u>				
Due to State of Michigan	\$138,267	\$2,112,702	\$2,116,790	\$134,179
Agency deposits	624,412	33,045,473	32,967,968	701,917
Total liabilities	<u>\$762,679</u>	<u>\$35,158,175</u>	<u>\$35,084,758</u>	<u>\$836,096</u>
<u>INLAND LAKE IMPROVEMENT (8725)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$181,106	\$1,236,198	\$1,212,774	\$204,530
Total assets	<u>\$181,106</u>	<u>\$1,236,198</u>	<u>\$1,212,774</u>	<u>\$204,530</u>
<u>LIABILITIES</u>				
Agency deposits	\$181,106	\$210,476	\$187,052	\$204,530
Total liabilities	<u>\$181,106</u>	<u>\$210,476</u>	<u>\$187,052</u>	<u>\$204,530</u>
<u>TOTALS - AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$3,328,585	\$152,339,852	\$151,846,753	\$3,821,684
Accounts receivable	435,422	5,592,384	5,875,010	152,796
Due from other governmental units	159,328	1,706,648	1,803,537	62,439
Total assets	<u>\$3,923,335</u>	<u>\$159,638,884</u>	<u>\$159,525,300</u>	<u>\$4,036,919</u>
<u>LIABILITIES</u>				
Due to other taxing units		\$41,032,773	\$41,032,773	
Due to State of Michigan	\$1,204,510	68,013,984	68,001,260	\$1,217,234
Fines and fees due to local libraries	438,088	882,377	857,503	462,962
Agency deposits	2,280,737	131,357,618	131,281,632	2,356,723
Total liabilities	<u>\$3,923,335</u>	<u>\$241,286,752</u>	<u>\$241,173,168</u>	<u>\$4,036,919</u>

(Concluded)

**COUNTY OF OTTAWA
STATISTICAL SECTION**

This part of the County of Ottawa’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Contents

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Financial Trends <i>These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.</i>	194
Revenue Capacity <i>These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.</i>	200
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.</i>	204
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.</i>	207
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.</i>	209

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**COUNTY OF OTTAWA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Net investment in capital assets										
Restricted	\$104,330,730	\$113,151,478	\$112,014,491	\$109,387,852	\$110,087,094	\$96,135,351	\$81,991,023	\$78,519,838	\$74,348,852	\$62,513,315
Unrestricted	20,227,256	19,273,135	17,801,312	19,421,942	23,416,355	33,748,813	38,510,706	40,108,692	35,040,583	31,077,232
Total Governmental Activities	77,718,270	68,670,542	64,920,525	59,447,035	54,493,996	60,985,302	68,819,561	60,800,956	54,030,017	47,241,713
Net Position	<u>\$202,276,256</u>	<u>\$201,095,155</u>	<u>\$194,736,328</u>	<u>\$188,256,829</u>	<u>\$187,997,445</u>	<u>\$190,869,466</u>	<u>\$189,321,290</u>	<u>\$179,429,486</u>	<u>\$163,419,452</u>	<u>\$140,832,260</u>
Business-Type Activities										
Net investment in capital assets										
Restricted	\$1,170,787	\$530,943	\$447,167	\$222,198	\$232,381	\$2,025	\$3,037	\$4,049	\$5,423	\$6,873
Unrestricted	22,579,168	23,478,259	23,576,310	24,049,598	24,494,919	24,560,157	24,403,583	24,232,390	24,337,816	25,220,565
Total Business-Type Activities	<u>\$23,749,955</u>	<u>\$24,009,202</u>	<u>\$24,023,477</u>	<u>\$24,271,796</u>	<u>\$24,727,300</u>	<u>\$24,562,182</u>	<u>\$24,406,620</u>	<u>\$24,236,439</u>	<u>\$24,343,239</u>	<u>\$25,227,438</u>
Primary Government										
Net investment in capital assets										
Restricted	\$104,330,730	\$113,151,478	\$112,014,491	\$109,387,852	\$110,087,094	\$96,137,376	\$81,994,060	\$78,523,887	\$74,354,275	\$62,520,188
Unrestricted	21,398,043	19,804,078	18,248,479	19,644,140	23,648,736	33,748,813	38,510,706	40,108,692	35,040,583	31,077,232
Total Primary Government	100,297,438	92,148,801	88,496,835	83,496,633	78,988,915	85,545,459	93,223,144	85,033,346	78,367,833	72,462,278
Net Position	<u>\$226,026,211</u>	<u>\$225,104,357</u>	<u>\$218,759,805</u>	<u>\$212,528,625</u>	<u>\$212,724,745</u>	<u>\$215,431,648</u>	<u>\$213,727,910</u>	<u>\$203,665,925</u>	<u>\$187,762,691</u>	<u>\$166,059,698</u>

**COUNTY OF OTTAWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental Activities:										
Legislative	\$399,151	\$459,777	\$428,578	\$476,002	\$547,466	\$548,719	\$627,625	\$520,618	\$548,532	\$469,994
Judicial	15,693,406	15,783,718	14,502,573	13,855,839	14,519,351	14,215,044	13,317,030	12,605,344	11,987,986	11,736,487
General government	14,013,699	13,580,523	15,447,894	16,425,170	17,110,266	15,345,245	13,401,945	15,175,102	13,962,772	13,628,246
Public safety	31,265,666	30,932,957	28,476,232	28,915,634	29,113,616	27,231,508	25,226,290	24,441,981	23,328,246	21,832,984
Public works	956,091	300,235	2,446,691	1,625,519	2,153,528	(739,191)	1,264,883	(1,437,838)	(508,530)	1,044,377
Health and welfare	63,709,147	67,599,332	63,874,693	63,386,274	60,438,578	58,762,909	57,160,468	54,270,351	51,784,416	48,066,300
Community and economic development	710,324	742,845	621,591	572,601	638,164	624,254	601,758	605,805	555,485	848,964
Culture and recreation	3,502,223	3,103,891	3,218,940	2,979,627	2,810,712	2,263,151	1,868,818	1,994,991	1,830,849	1,658,024
Interest on long-term debt	942,708	959,132	1,039,869	1,120,937	1,215,945	1,308,463	1,018,189	741,070	709,485	890,774
Total Governmental Activities Expenses	<u>131,192,415</u>	<u>133,462,410</u>	<u>130,057,061</u>	<u>129,357,603</u>	<u>128,547,626</u>	<u>119,560,102</u>	<u>114,487,006</u>	<u>108,917,424</u>	<u>104,199,241</u>	<u>100,176,150</u>
Business-Type Activities:										
Delinquent tax collection	2,110,897	2,088,653	2,565,380	2,619,364	2,637,015	2,602,228	2,541,550	2,243,439	1,789,661	1,888,210
Total Business-Type Activities Expenses	<u>2,110,897</u>	<u>2,088,653</u>	<u>2,565,380</u>	<u>2,619,364</u>	<u>2,637,015</u>	<u>2,602,228</u>	<u>2,541,550</u>	<u>2,243,439</u>	<u>1,789,661</u>	<u>1,888,210</u>
Total Primary Government Expenses	<u>133,303,312</u>	<u>\$135,551,063</u>	<u>\$132,622,441</u>	<u>\$131,976,967</u>	<u>\$131,184,641</u>	<u>\$122,162,330</u>	<u>\$117,028,556</u>	<u>\$111,160,863</u>	<u>\$105,988,902</u>	<u>\$102,064,360</u>
Program Revenues										
Governmental Activities:										
Charges for services:										
Judicial	\$4,298,591	\$4,428,208	\$4,321,400	\$4,264,283	\$3,664,644	\$3,802,269	\$3,737,197	\$3,799,831	\$3,669,496	\$3,337,581
General government	8,261,854	7,936,150	7,212,417	6,889,492	6,742,345	7,281,714	7,937,129	7,828,177	8,030,479	8,049,440
Public safety	6,726,691	7,833,957	6,012,143	6,394,977	6,191,172	6,032,691	5,047,927	5,048,970	4,761,022	4,442,960
Public works	337,849	363,870	389,376	349,904	344,926	405,175	403,922	446,501	441,146	417,824
Health and welfare	2,810,393	2,910,475	2,882,631	2,453,458	2,534,330	2,784,887	2,575,152	2,717,256	2,750,778	2,434,930
Community and economic development	35,830	2,873	22,095	18,552	441	10,901	10,605	23,770	20,997	
Culture and recreation	788,511	460,470	470,163	474,325	522,197	522,973	560,488	289,658	301,842	411,092
Interest on long-term debt	1,815,585	1,822,460	2,382,030	2,388,298	2,779,913	2,774,563	2,769,438	2,439,503	2,008,656	2,243,461
Operating grants and contributions	58,200,664	62,917,831	61,739,527	59,359,989	53,071,822	51,809,963	51,516,123	46,999,986	47,211,640	42,742,884
Capital grants and contributions	92,595	2,293,472	1,653,505	446,900	2,213,859	613,507	1,513,884	850,262	9,250,395	464,436
Total Governmental Activities Program Revenues	<u>83,368,563</u>	<u>90,969,766</u>	<u>87,085,287</u>	<u>83,040,178</u>	<u>78,065,649</u>	<u>76,038,643</u>	<u>76,071,865</u>	<u>70,443,914</u>	<u>78,446,451</u>	<u>64,544,608</u>
Business-Type Activities:										
Charges for services:										
Delinquent tax collection	2,015,105	2,064,177	2,307,223	2,113,782	2,795,750	2,201,594	1,711,915	1,291,853	1,095,241	936,481
Total Business-Type Activities Program Revenues	<u>2,015,105</u>	<u>2,064,177</u>	<u>2,307,223</u>	<u>2,113,782</u>	<u>2,795,750</u>	<u>2,201,594</u>	<u>1,711,915</u>	<u>1,291,853</u>	<u>1,095,241</u>	<u>936,481</u>
Total Primary Government Program Revenues	<u>85,383,668</u>	<u>\$93,033,943</u>	<u>\$89,392,510</u>	<u>\$85,153,960</u>	<u>\$80,861,399</u>	<u>\$78,240,237</u>	<u>\$77,783,780</u>	<u>\$71,735,767</u>	<u>\$79,541,692</u>	<u>\$65,481,089</u>

**COUNTY OF OTTAWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net (Expense)/Revenue										
Governmental activities	(\$47,823,852)	(\$42,492,644)	(\$42,971,774)	(\$46,317,425)	(\$50,481,977)	(\$43,521,459)	(\$38,415,141)	(\$38,473,510)	(\$25,752,790)	(\$35,631,542)
Business-type activities	(95,792)	(24,476)	(258,157)	(505,582)	158,735	(400,634)	(829,635)	(951,586)	(694,420)	(951,729)
Total Primary Government Net Expense	<u>(\$47,919,644)</u>	<u>(\$42,517,120)</u>	<u>(\$43,229,931)</u>	<u>(\$46,823,007)</u>	<u>(\$50,323,242)</u>	<u>(\$43,922,093)</u>	<u>(\$39,244,776)</u>	<u>(\$39,425,096)</u>	<u>(\$26,447,210)</u>	<u>(\$36,583,271)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$41,102,695	\$40,693,219	\$41,220,281	\$42,348,687	\$43,680,112	\$43,141,153	\$41,740,361	\$49,182,314	\$44,867,713	\$41,606,745
Unrestricted grants and contributions	3,180,245	3,659,304	6,003,393	51,346	52,393	29,044	21,545	24,657	31,374	1,448,461
Investment earnings	3,509,045	3,233,155	1,362,564	3,206,795	3,305,967	1,342,489	6,740,703	5,007,679	2,514,383	2,440,814
Miscellaneous	1,448,322	1,113,633	701,587	780,973	368,669	379,989	524,250	261,156	307,525	316,890
Capital contributions									0	100,000
Transfers	152,440	152,160	163,448	189,008	202,815	176,960	24,224	7,738	618,987	805,899
Total Governmental Activities	<u>49,392,747</u>	<u>48,851,471</u>	<u>49,451,273</u>	<u>46,576,809</u>	<u>47,609,956</u>	<u>45,069,635</u>	<u>49,051,083</u>	<u>54,483,544</u>	<u>48,339,982</u>	<u>46,718,809</u>
Business-Type Activities:										
Unrestricted grants	89					3,577				
Investment earnings	(13,544)	160,201	159,838	200,078	157,817	702,619	999,816	844,786	440,423	401,166
Miscellaneous						(1,434)				
Transfers	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)			(630,202)	(800,000)
Total Business-Type Activities	<u>(163,455)</u>	<u>10,201</u>	<u>9,838</u>	<u>50,078</u>	<u>6,383</u>	<u>556,196</u>	<u>999,816</u>	<u>844,786</u>	<u>(189,779)</u>	<u>(398,834)</u>
Total Primary Government	<u>\$49,229,292</u>	<u>\$48,861,672</u>	<u>\$49,461,111</u>	<u>\$46,626,887</u>	<u>\$47,616,339</u>	<u>\$45,625,831</u>	<u>\$50,050,899</u>	<u>\$55,328,330</u>	<u>\$48,150,203</u>	<u>\$46,319,975</u>
Changes in Net Position										
Governmental activities	1,568,895	\$6,358,827	\$6,479,499	\$259,384	(\$2,872,021)	\$1,548,176	\$10,635,942	\$16,010,034	\$22,587,192	\$11,087,267
Business-type activities	(259,247)	(14,275)	(248,319)	(455,504)	165,118	155,562	170,181	(106,800)	(884,199)	(1,350,563)
Total Primary Government	<u>1,309,648</u>	<u>\$6,344,552</u>	<u>\$6,231,180</u>	<u>(\$196,120)</u>	<u>(\$2,706,903)</u>	<u>\$1,703,738</u>	<u>\$10,806,123</u>	<u>\$15,903,234</u>	<u>\$21,702,993</u>	<u>\$9,736,704</u>

**COUNTY OF OTTAWA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved					\$2,463,646	\$2,399,141	\$2,383,291	\$2,359,739	\$1,914,675	\$1,734,514
Unreserved					14,249,311	19,685,285	19,763,187	17,503,887	15,970,916	15,567,791
Non spendable	\$816,756	\$952,893	\$1,063,101	\$1,211,907						
Restricted	14,172,606	13,484,895	3,895,553	3,621,836						
Committed	20,196,920	18,143,143	24,208,298	21,236,492						
Assigned	2,857,105	3,102,893	2,892,842	2,124,534						
Unassigned	9,918,253	12,055,123	13,705,990	10,596,307						
Total General Fund	<u>\$47,961,640</u>	<u>\$ 47,738,947</u>	<u>\$ 45,765,784</u>	<u>\$ 38,791,076</u>	<u>\$ 16,712,957</u>	<u>\$ 22,084,426</u>	<u>\$ 22,146,478</u>	<u>\$ 19,863,626</u>	<u>\$ 17,885,591</u>	<u>\$ 17,302,305</u>
All Other Governmental Funds										
Reserved					\$9,311,357	\$17,787,698	\$22,544,510	\$24,704,233	\$19,584,065	\$7,559,074
Unreserved, reported in:										
Special revenue funds					27,151,539	30,712,913	36,148,248	34,129,511	33,089,612	39,980,174
Capital projects funds							4,766,982	253,715	2,374,153	
Permanent funds					581	484	266		331	209
Debt service funds						10,488	10,801	10,381		
Non spendable	\$468,989	\$675,596	\$480,256	\$234,865						
Restricted	8,747,803	4,650,108	4,585,792	6,653,473						
Committed	897	1,871	1,500	1,000						
Assigned	2,638,975	2,954,171	2,986,441	4,230,262						
	<u>\$11,856,664</u>	<u>\$ 8,281,746</u>	<u>\$ 8,053,989</u>	<u>\$ 11,119,600</u>	<u>\$ 36,463,477</u>	<u>\$ 48,511,583</u>	<u>\$ 63,470,807</u>	<u>\$ 59,097,840</u>	<u>\$ 55,048,161</u>	<u>\$ 47,539,457</u>

Effective 2011, the County implemented GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions". Restated figures prior to 2010 are not available.

COUNTY OF OTTAWA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS

	2013	2012	2011	2010	2009
Revenues					
Taxes	\$41,102,695	\$40,693,219	\$41,220,280	\$42,348,687	\$43,680,112
Intergovernmental	67,009,472	75,638,236	73,502,034	64,864,135	60,128,208
Charges for services	11,581,189	11,158,863	9,416,373	9,182,235	8,512,541
Fines and forfeits	60,548	79,085	1,094,561	1,059,777	1,008,906
Investment earnings (loss)	(77,480)	540,901	565,297	686,816	598,424
Licenses and permits	1,193,107	1,043,694	923,264	682,162	652,886
Rental Income	5,273,139	5,260,790	5,776,717	5,888,783	6,372,474
Other revenues	2,832,192	2,643,273	3,059,623	1,872,377	1,514,342
Total Revenues	128,974,862	137,058,061	135,558,149	126,584,972	122,467,893
Expenditures					
Legislative	395,482	453,693	424,362	486,009	540,483
Judicial	15,698,396	15,743,611	14,520,814	14,069,261	14,357,862
General government	10,933,512	10,404,481	11,807,932	13,293,991	13,303,007
Public safety	30,960,295	31,023,756	28,472,398	28,961,133	28,255,423
Public works	916,331	1,220,024	1,131,288	1,267,255	1,137,666
Health and welfare	63,272,984	67,406,382	64,304,327	63,515,125	59,250,617
Community and economic development	704,966	737,947	619,453	579,516	634,793
Culture and recreation	2,510,360	2,394,183	2,517,148	2,234,518	2,123,869
Other governmental functions	130,386	129,846	176,388	225,829	149,627
Capital outlay	2,943,989	3,106,519	5,485,160	2,556,903	17,165,013
Debt service					
Interest and fiscal charges	927,990	950,360	1,034,730	1,115,198	1,207,113
Principal	1,690,000	1,738,499	2,110,000	2,035,000	2,335,000
Total Expenditures	131,084,691	135,309,301	132,604,000	130,339,738	140,460,473
Excess of Revenues Over (Under) Expenditures	(2,109,829)	1,748,760	2,954,149	(3,754,766)	(17,992,580)
Other Financing Sources (Uses)					
Transfers from other funds	10,149,065	10,200,577	9,016,885	15,888,171	26,901,059
Transfers to other funds	(9,736,625)	(9,748,417)	(8,153,437)	(15,435,158)	(26,398,244)
Proceeds from capital lease				35,995	70,190
Issuance of land contract			91,500		
Issuance of bonds	5,495,000				
Refunding bonds issued					
Premium on bonds issued					
Payment to refunding bond escrow agent					
Total Other Financing Sources (Uses)	5,907,440	452,160	954,948	489,008	573,005
Net Change in Fund Balances	\$ 3,797,611	\$2,200,920	\$3,909,097	(\$3,265,758)	(\$17,419,575)
Debt Service as a Percentage of Noncapital Expenditures (1)	2.04%	2.03%	2.47%	2.47%	2.87%

(1) Capital expenditures within the functional expenditure categories have been deducted.

Continued on next page

**COUNTY OF OTTAWA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS**

	2008	2007	2006	2005	2004
Revenues					
Taxes	\$43,141,153	\$41,740,361	\$49,182,314	\$44,867,713	\$41,606,745
Intergovernmental	56,434,209	56,197,074	50,708,309	56,055,124	47,634,209
Charges for services	9,964,645	9,767,081	9,646,695	9,795,022	10,135,135
Fines and forfeits	943,444	1,019,126	1,054,192	1,076,449	1,033,297
Investment earnings (loss)	3,470,029	4,362,275	3,184,509	1,561,657	1,413,570
Licenses and permits	639,978	624,236	674,810	745,950	704,422
Rental Income	6,272,068	6,442,950	5,998,857	5,442,363	5,253,344
Other revenues	1,665,938	1,764,038	1,832,591	2,189,691	989,481
Total Revenues	122,531,464	121,917,141	122,282,277	121,733,969	108,770,203
Expenditures					
Legislative	559,364	625,263	524,438	549,673	463,217
Judicial	14,485,029	13,576,215	12,723,585	12,124,762	11,754,724
General government	13,068,576	12,752,949	12,749,953	12,470,763	11,528,237
Public safety	27,511,087	25,809,803	24,539,124	23,646,691	21,889,931
Public works	807,457	863,260	668,915	550,295	682,435
Health and welfare	58,809,002	57,774,307	54,607,601	51,346,970	47,197,156
Community and economic development	633,980	600,570	605,318	555,363	843,051
Culture and recreation	1,774,863	1,498,687	1,641,099	1,507,733	1,310,643
Other governmental functions	272,874	147,251	163,642	119,565	107,577
Capital outlay	20,669,867	8,856,079	5,140,660	17,313,458	8,915,367
Debt service					
Interest and fiscal charges	1,302,601	1,059,013	733,395	1,298,259	904,901
Principal	2,235,000	1,830,000	1,720,000	1,460,000	1,395,000
Total Expenditures	142,129,700	125,393,397	115,817,730	122,943,532	106,992,239
Excess of Revenues Over (Under) Expenditures	(19,598,236)	(3,476,256)	6,464,547	(1,209,563)	1,777,964
Other Financing Sources (Uses)					
Transfers from other funds	28,937,698	18,396,869	17,593,905	21,046,183	18,932,766
Transfers to other funds	(24,360,738)	(18,343,645)	(18,030,738)	(19,880,952)	(14,881,599)
Proceeds from capital lease					
Issuance of land contract					
Issuance of bonds		10,000,000		7,865,000	
Refunding bonds issued				10,005,000	
Premium on bonds issued		78,851		690,972	
Payment to refunding bond escrow agent				(10,424,650)	
Total Other Financing Sources (Uses)	4,576,960	10,132,075	(436,833)	9,301,553	4,051,167
Net Change in Fund Balances	(\$15,021,276)	\$6,655,819	\$6,027,714	\$8,091,990	\$5,829,131
Debt Service as a Percentage of Noncapital Expenditures (1)	2.91%	2.48%	2.22%	2.61%	2.34%

(1) Capital expenditures within the functional expenditure categories have been deducted.

Concluded

COUNTY OF OTTAWA
ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS

Fiscal Year Ended Dec 31,	Residential Property (1)	Commercial Property (1)	Industrial Property (1)	Other Property (1)	Total Assessed Value (2)	Total Direct Tax Rate	Total Taxable Value (3)	Total Estimated Actual Value	Percentage of Assessed to Estimated Values
2004	\$6,716,873,710	\$1,322,251,677	\$1,042,548,460	\$653,989,617	\$9,735,663,464	4.1611	\$8,017,866,823	\$19,552,979,984	49.79%
2005	7,236,894,083	1,384,464,924	1,043,983,418	680,080,009	10,345,422,434	4.2593	8,503,786,076	20,805,877,296	49.72%
2006	7,856,224,166	1,443,751,850	1,043,810,103	684,435,873	11,028,221,992	4.2579	9,027,094,310	22,170,339,035	49.74%
2007	8,322,378,855	1,525,255,251	1,138,353,787	733,806,001	11,719,793,894	4.3572	9,585,665,481	23,594,493,916	49.67%
2008	8,454,588,788	1,592,147,608	1,183,541,453	767,449,246	11,997,727,095	4.3572	9,898,685,191	24,198,304,107	49.58%
2009	8,170,901,810	1,554,014,430	1,193,763,947	787,679,437	11,706,359,624	4.3572	10,018,437,711	23,614,026,941	49.57%
2010	7,618,003,419	1,493,136,163	1,105,242,878	774,492,392	10,990,874,852	4.3565	9,612,697,661	22,131,690,729	49.66%
2011	7,348,848,650	1,358,447,695	1,050,128,006	734,285,453	10,491,709,804	4.3565	9,405,987,828	21,107,443,588	49.71%
2012	7,139,399,451	1,315,140,102	1,080,595,641	725,875,775	10,261,010,969	4.3565	9,316,153,677	20,639,625,256	49.72%
2013	7,273,964,717	1,288,721,092	1,086,596,997	736,291,306	10,385,574,112	4.3565	9,450,229,465	20,882,404,189	49.73%

Source: Ottawa County Equalization Department

(1) Real and personal properties have been combined into the categories above.

(2) County assesses property at approximately 50% of the actual value.

(3) For taxes levied in 1995, and each year thereafter, the legislature shall provide for the taxable value of each parcel of property not to increase by more than the increase in the immediately preceding general price level (CPI), or 5%, whichever is less, until such time as ownership of the property is transferred. When ownership of the parcel is transferred, the parcel shall be assessed at the applicable proportion of the current true cash value.

County of Ottawa
Direct and Overlapping Property Tax Rates (per \$1,000 of Taxable Value)
Last Ten Calendar Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
County Direct Rates										
Operating	3.4000	4.6666	4.6666	4.7666	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000
Parks	0.3182	0.3174	0.3168	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165
E-911	0.4429	0.4419	0.4411	0.4407	0.4407	0.4407	0.4400	0.4400	0.4400	0.4400
Total Direct Rate (1)	4.1611	5.4259	5.4245	5.5238	4.3572	4.3572	4.3565	4.3565	4.3565	4.3565
City and Village Rates										
Coopersville	14.9036	14.9939	14.7991	14.9025	15.1987	14.4594	14.4928	14.5294	14.4403	14.4432
Ferrysburg	11.9788	11.9788	11.9788	11.5828	11.5027	10.3377	10.2377	10.1377	10.5377	10.4518
Grand Haven	13.2423	13.0859	13.0859	13.1853	14.3642	14.3609	14.6124	15.3612	15.3565	15.3609
Holland	15.5695	15.5396	15.4996	15.6497	15.9894	15.9904	16.3913	16.3350	17.3658	17.3639
Hudsonville	12.2322	12.2322	11.2226	11.2050	11.2623	11.2639	11.2848	11.2779	11.2785	11.2719
Zeeland	11.3854	11.3854	11.3854	11.3854	11.4854	11.2354	11.2354	11.2354	11.2354	11.2354
Spring Lake Village	13.1619	13.0619	11.9619	11.8619	11.8619	11.6619	11.6619	11.6619	11.6619	11.6619
Township Rates	1.21-8.02	1.21-8.08	1.35-8.12	1.35-8.12	1.35-7.97	1.35-7.97	1.45-7.97	1.45-7.91	1.45-8.07	1.38-8.07
School Rates										
Homestead	3.10 - 9.25	3.00 - 9.25	3.00 - 9.25	3.00 - 9.25	2.8 - 9.25	3.0 - 9.25	2.97 - 9.25	2.97 - 9.25	2.97 - 9.25	3.00 - 10.59
Non-Homestead	21.10 - 27.25	21.00 - 26.96	21.00 - 26.78	21.00 - 26.78	20.80 - 27.25	21.00 - 27.25	20.97 - 27.25	20.97 - 27.25	20.97 - 27.25	21.00 - 28.59

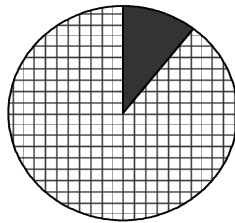
(1) In October of 2004, the State of Michigan suspended State Revenue Sharing payments to counties. To assist counties in preventing the loss of key services, the county property tax levy was gradually moved up from December to July over three years. Effective December 2004 through 2006 tax collection, one third of the levy was placed into a County managed Revenue Sharing Reserve Fund (RSRF), and the County withdrew an amount equal to what we would have received in 2004, plus an annual increase equal to CPI (Consumer Price Index).

**COUNTY OF OTTAWA
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Type of Business	2013			2004		
		Taxable Assessed Valuation (1)	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Valuation (1)	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	Utility	\$636,242,179	1	6.73%	\$315,234,516	1	3.93%
Gentex Corporation	Automotive Components	138,559,106	2	1.47%	52,958,528	3	0.66%
Mead Johnson and Co.	Food Products	59,210,072	3	0.63%			
Fair Oaks Farm Brands	Food Products	38,105,400	4	0.40%			
Leprino Foods Inc.	Cheese Production	30,651,025	5	0.32%			
Herman Miller Inc.	Office Furniture	26,001,246	6	0.28%	74,263,268	2	0.93%
Request Foods	Food Products	21,928,500	7	0.23%			
DTE Gas Company	Utility	20,448,798	8	0.22%			
Michigan Electric Transmission	Utility	19,805,500	9	0.21%			
CS Facilities/Continental Dairy	Cheese Production	18,671,300	10	0.20%			
Pfizer	Pharmaceutical				51,857,228	4	0.65%
Johnson Controls Interiors	Automotive Components				39,229,301	5	0.49%
Magna Donnelly Corp.	Automotive Components				38,025,470	6	0.47%
Delphi Automotive	Automotive Components				34,478,512	7	0.43%
Shape Corp.	Metal Extrusion				32,880,589	8	0.41%
Sara Lee	Food Products				30,457,308	9	0.38%
Meijer	Retail Store				22,173,733	10	0.28%
Donnelly Corp.	Automotive Components				41,377,293	5	0.52%
		<u>\$1,009,623,126</u>		<u>10.69%</u>	<u>\$732,935,746</u>		<u>9.15%</u>

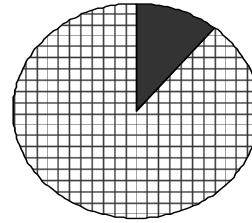
Source: Ottawa County Equalization Department. The 2013 and 2004 total Taxable Values were \$9,450,229,465 and \$8,017,866,823.

Concentration of Taxpayers in Ottawa County - 2013



■ Top Ten Taxpayers ▨ All Other Taxpayers

Concentration of Taxpayers in Ottawa County - 2003



■ Top Ten Taxpayers ▨ All Other Taxpayers

**County of Ottawa
Property Tax Levies and Collections
Last Ten Calendar Years**

Fiscal Year Ended Dec 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$31,476,092	\$30,124,717	95.71%	\$1,186,588	\$31,311,305	99.48%
2005	35,555,328	34,244,434	96.31%	1,308,774	35,553,208	99.99%
2005/2006 (1)	36,588,240	35,249,126	96.34%	1,339,114	36,588,240	100.00%
2006	38,982,510	37,412,013	95.97%	1,431,298	38,843,311	99.64%
2007	41,867,866	40,269,739	96.18%	1,519,725	41,789,464	99.81%
2008	43,144,926	41,437,107	96.04%	1,611,711	43,048,818	99.78%
2009	43,598,505	42,093,132	96.55%	1,323,082	43,416,214	99.58%
2010	41,800,971	40,617,242	97.17%	605,193	41,222,435	98.62%
2011	40,967,095	39,933,281	97.48%	665,147	40,598,428	99.10%
2012	40,575,521	39,739,895	97.94%	531,503	40,271,398	99.25%
2013	41,141,033	40,348,866	98.07%	n/a	n/a	n/a

(1) Tax levy date is December 1 of each year until calendar year 2005, at which time a shift in the tax levy from December 1 to July 1 over a three-year period began in accordance with State of Michigan legislation. In 2005, 1/3 of the total levy was for 2005 operations, 1/3 was for 2006 operations and 1/3 of the total levy was for the Revenue Sharing Reserve Fund. In 2006, 2/3 of the total levy was for 2006 operations and 1/3 was for the Revenue Sharing Reserve Fund. All of the amount levied in 2007 was for 2007 operations.

**COUNTY OF OTTAWA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Parks & Recreation Land Contract	Capital Leases	Total (1)	Percent of Personal Income	Personal Income (2)	(rounded)	Population (2)	Direct Per Capita Debt	Assessed Value (3)	Bonds Percent of Assessed Value
							Per Capita Personal Income (2)				
2004	\$16,795,000	\$228,737	N/A	\$17,023,737	0.22%	\$7,569,044	\$29,911	253,048	\$67.27	\$9,735,663,464	0.17%
2005	23,230,000	167,703	N/A	23,397,703	0.29%	7,962,613	31,194	255,261	91.66	10,345,422,434	0.22%
2006	21,510,000	101,232	N/A	21,611,232	0.26%	8,411,071	32,601	258,003	83.76	11,028,221,992	0.20%
2007	29,680,000	28,840	\$106,239	29,815,079	0.35%	8,568,204	32,950	260,037	114.66	11,719,793,894	0.25%
2008	27,445,000	N/A	70,826	27,515,826	0.31%	8,839,900	33,752	261,906	105.06	11,997,727,095	0.23%
2009	25,110,000	N/A	79,204	25,189,204	0.30%	8,505,525	32,355	262,879	95.82	11,706,359,624	0.21%
2010	23,075,000	N/A	47,391	23,122,391	0.26%	8,777,522	33,233	263,801	87.65	10,990,874,852	0.21%
2011	20,965,000	91,500	11,999	21,068,499	0.22%	9,537,798	35,833	266,122	79.17	10,491,709,804	0.20%
2012	19,330,000	N/A	N/A	19,330,000	0.20%	9,865,865	36,663	269,329	71.77	10,261,010,969	0.19%
2013	23,135,000	N/A	N/A	23,135,000	N/A	N/A	N/A	272,701	84.84	10,385,574,112	0.22%

- (1) Does not include the landfill reclamation and compensated absences.
Does not include Component Units, certain debt issued by Component Units is guaranteed by the County.
- (2) Bureau of Economic Analysis, U.S. Department of Commerce - Personal Income (Thousands of Dollars) adjusted annually.
- (3) County assesses property at approximately 50% of the actual value.

COUNTY OF OTTAWA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2013

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To County of Ottawa</u>	<u>Amount Applicable To County of Ottawa (2)</u>
Direct:			
County at large	<u>\$23,135,000</u>	100.0%	<u>\$23,135,000</u>
Total Direct	23,135,000		23,135,000
Overlapping:			
Townships Debt Guaranteed by County (1)	99,501,575	100.0%	99,501,575
School districts	893,161,662	80.1%	715,461,656
Cities and villages (1)	75,346,569	86.8%	65,385,585
Grand Rapids Community College	66,515,000	1.4%	944,513
Library	8,925,000	100.0%	8,925,000
Holland Area Swimming Pool	<u>4,220,000</u>	67.0%	<u>2,827,400</u>
Total Overlapping	<u>1,147,669,806</u>		<u>893,045,729</u>
Grand Total	<u><u>\$1,170,804,806</u></u>		<u><u>\$916,180,729</u></u>

(1) Includes county-issued bonds paid by local municipalities

(2) Overlapping debt is calculated for an entity based upon assessed values received from the State of Michigan which determines the issuer's proportionate share of the debt of other local governmental units that either overlap it (the issuer is located either wholly or partly within the geographic limits of other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is apportioned based upon relative assessed values.

Source: Municipal Advisory Council of Michigan

**COUNTY OF OTTAWA
RATIO OF NET GENERAL OBLIGATION DEBT OUTSTANDING AND LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Assessed Value of Property	\$ 10,385,574,112	\$ 10,261,010,969	\$ 10,491,709,804	\$ 10,990,874,852	\$ 11,706,359,624	\$ 11,997,727,095	\$ 11,719,793,894	\$ 11,028,221,992	\$ 10,345,422,434	\$ 9,735,663,464
Debt Limit 10% of Assessed Value	1,038,557,411	1,026,101,097	1,049,170,980	1,099,087,485	1,170,635,962	1,199,772,710	1,171,979,389	1,102,822,199	1,034,542,243	973,566,346
Amount of Debt Applicable to Limit										
General Obligation Bond Debt:										
Primary Government	\$ 23,135,000	\$ 19,330,000	\$ 20,965,000	\$ 23,075,000	\$ 25,110,000	\$ 27,445,000	\$ 29,680,000	\$ 21,510,000	\$ 23,230,000	\$ 16,795,000
Component Units Guaranteed by County (1)	113,574,060	115,904,572	121,358,501	121,659,501	107,590,501	95,398,501	101,703,236	68,255,533	72,892,533	75,249,536
Other Debt	-	-	103,499	-	-	-	28,840	101,232	167,703	228,737
Less: Resources Restricted to Paying Principal	(451,878)	(611,843)	(636,892)	(684,327)	(225,925)	(147,515)	(167,828)	(1,448,703)	(1,433,484)	(1,303,300)
Total Net debt applicable to Limit	136,257,182	134,622,729	141,790,108	144,050,174	132,474,576	122,695,986	131,244,248	88,418,062	94,856,752	90,969,973
Legal Debt Margin	\$ 902,300,229	\$ 891,478,368	\$ 907,380,872	\$ 955,037,311	\$ 1,038,161,386	\$ 1,077,076,724	\$ 1,040,735,141	\$ 1,014,404,137	\$ 939,685,491	\$ 882,596,373
Total Net Debt applicable to the Limit as a percentage of Debt Limit	13.12%	13.12%	13.51%	13.11%	11.32%	10.23%	11.20%	8.02%	9.17%	9.34%
Ratio of Net General Obligation Debt to Assessed Value of Property	1.312%	1.312%	1.351%	1.311%	1.132%	1.023%	1.120%	0.802%	0.917%	0.934%
Debt Per Capita of Total Net General Obligation Debt	\$499.66	\$499.84	\$537.49	\$545.40	\$503.94	\$468.47	\$504.71	\$342.70	\$371.61	\$359.50
Primary Government Net Debt applicable to the Limit as a percentage of Debt Limit	2.23%	1.88%	2.00%	2.10%	2.14%	2.29%	2.53%	1.95%	2.25%	1.73%
Ratio of Primary Government Net General Obligation Bond Debt to Estimated Actual Value of Property (2)	0.11%	0.09%	0.10%	0.10%	0.11%	0.11%	0.13%	0.10%	0.11%	0.09%
Primary Government Debt Per Capita of Net General Obligation Bond Debt (3)	\$86.88	\$72.59	\$78.73	\$87.47	\$95.86	\$105.20	\$114.68	\$83.75	\$91.34	\$66.56

(1) The County guarantees the Bonded Debt of Public Utilities as well as the Munn Drain which is included in 2010, they do not guarantee the Bonded Debt of the Nunica Drain bond of the Water Resources Commissioner. Consequently, these amounts are not included in the above total for General Obligation Bonded Debt.

(2) See Assessed Value and Estimated Value of Taxable Property Statistics.

(3) See Demographic and Economic Statistics for Population.

Note: Under State of Michigan law, the County's outstanding debt should not exceed 10% of state equalized value less amounts available for repaying the applicable bonds.

**County of Ottawa
Demographic and Economic Statistics
Last Ten Calendar Years**

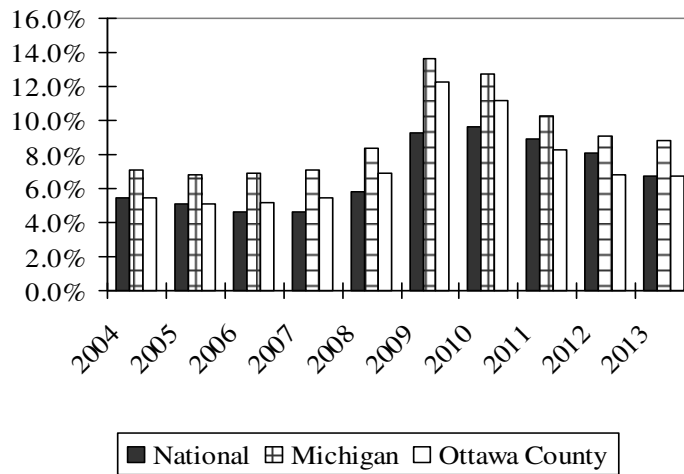
Fiscal Year	Population (1)	Personal Income (thousands of dollars) (1)	Per Capita Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2004	253,048	\$7,569,044	\$29,911	33.1	55,696	5.5%
2005	255,261	7,962,613	31,194	33.5	55,575	5.1%
2006	258,003	8,411,071	32,601	33.8	55,412	5.3%
2007	260,037	8,568,204	32,950	34.1	55,032	5.6%
2008	261,906	8,839,900	33,752	34.2	54,662	6.9%
2009	262,879	8,505,525	32,355	34.6	55,068	12.1%
2010	263,801	8,777,502	33,273	34.5	55,233	11.2%
2011	266,122	9,537,798	35,840	34.9	55,595	8.3%
2012	269,329	9,865,865	36,663	35.4	55,283	6.8%
2013	272,701	n/a	n/a	n/a	n/a	6.7%

n/a: Information is unavailable.

Sources:

- (1) U.S. Department of Commerce, Bureau of Economic Analysis, updated with most recent census figures
- (2) U.S. Census Bureau, updated with most recent census figures
- (3) Audited Membership Count, Ottawa Area Intermediate School District
- (4) U.S. Department of Labor, Bureau of Labor Statistics, updated with most recent census figures

**National, State and County
Unemployment Rates**



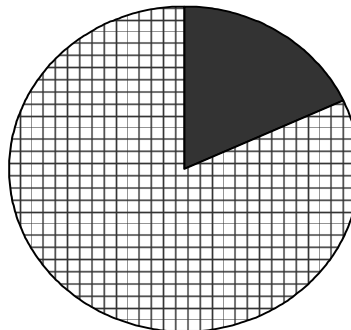
**COUNTY OF OTTAWA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	Type of Business	2013			2004		
		Employees (1)	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Gentex Corporation	Automotive Mirrors	3,981	1	3.2%	2,051	4	1.8%
Herman Miller	Office Furniture	3,890	2	3.2%	4,350	2	3.8%
Grand Valley State University	Higher Education	2,451	3	2.0%	2,132	3	1.9%
Holland Hospital	Health Care	2,118	4	1.7%	1,561	7	1.4%
Haworth, Inc. (2)	Office Furniture	1,948	5	1.6%	1,863	5	1.6%
Shape Corporation	Metal Roll Forming	1,841	6	1.5%			0.0%
Johnson Controls (2)	Automotive Mirrors	1,650	7	1.3%	4,800	1	4.2%
Magna Mirrors (2)	Automotive Mirrors	1,614	8	1.3%	1,752	6	1.5%
Meijer	Retailer	1,458	9	1.2%	1,324	8	1.2%
County of Ottawa	Government	1,238	10	1.0%	1,165	9	1.0%
Holland Public Schools	Education				1,061	10	0.9%
		<u>22,189</u>		<u>18.0%</u>	<u>22,059</u>		<u>19.3%</u>

Source: Ottawa County Economic Development Office, Inc. and State of Michigan Total employment in 2013 was 123,377 and in 2004 was 115,400.

- (1) Excludes temporary employment agencies
- (2) Facilities located within Ottawa County and/or the City of Holland portion of Allegan County
- (3) Non-student employees; also includes Grand Rapids & Muskegon

Concentration of Employers in Ottawa County



■ Top Ten Employers ▨ All Other Employers

COUNTY OF OTTAWA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Function/Program										
Legislative	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000
Judicial	126.081	127.060	128.185	125.025	132.075	126.775	125.775	127.900	127.175	129.727
General Government	165.780	166.000	164.482	166.075	180.500	179.650	180.150	181.150	181.750	175.350
Public Safety	219.200	219.200	219.870	219.893	222.200	218.950	217.200	211.200	210.490	204.800
Public Works	3.800	3.400	3.720	4.420	4.720	4.720	4.720	4.600	4.600	2.600
Health and welfare	377.089	344.863	350.175	342.755	366.954	375.455	382.455	393.160	397.800	376.100
Community and economic deveopment	5.900	5.953	5.850	5.950	6.950	6.950	6.950	6.950	6.950	6.950
Culture and recreation	17.250	15.750	16.000	15.000	15.000	13.000	13.000	12.000	12.000	10.000
Total	<u>926.100</u>	<u>893.226</u>	<u>899.282</u>	<u>890.118</u>	<u>939.399</u>	<u>936.500</u>	<u>941.250</u>	<u>947.960</u>	<u>951.765</u>	<u>916.527</u>

Source: Ottawa County Payroll

Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

**COUNTY OF OTTAWA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Judicial										
Circuit Court										
Total Civil Cases	1,344	1,366	1,259	1,328	1,465	1,340	1,263	1,237	1,202	2,105
Total Criminal Cases	884	988	918	1,048	1,090	1,127	1,218	1,169	1,055	1,359
District Court										
Felony Cases	1,281	1,411	1,378	1,420	1,419	1,542	1,584	1,477	1,347	1,385
Misdemeanor Cases	8,669	9,087	8,630	9,314	9,646	10,301	10,606	10,317	9,714	8,889
General Civil Cases	4,806	6,225	5,672	6,292	6,367	7,067	6,532	4,918	4,341	4,625
Probate Court										
Open Cases	8,770	8,237	7,817	7,419	6,940	6,487	6,031	5,838	4,894	3,328
Juvenile Court										
Total Offenses	N/A	3,226	3,120	3,024	3,387	2,494	3,019	2,439	2,737	2,760
Public Safety										
Jail:										
Subjects Admitted	7,015	7,453	7,136	7,622	7,864	8,079	8,473	9,002	8,533	9,095
Average daily population	338.0	352.0	327.8	330.7	352.0	366.6	395.0	368.0	328.9	356.6
Police:										
Calls for Service	65,179	66,683	65,596	64,773	67,754	72,665	76,171	73,523	71,737	71,459
Criminal Arrests	6,307	6,943	6,989	7,748	8,616	9,177	9,755	10,122	9,890	9,412
Traffic Violations	21,494	22,867	21,423	21,321	24,886	24,170	26,283	28,011	25,937	20,272
Health and welfare										
Public Health										
# of Fixed Food Service Inspections	1,183	968	1,047	1,065	1,022	1,124	1,123	1,122	1,032	1,150
% of new entrants enrolled in school immunized	99%	99%	99%	99%	99%	99%	98%	N/A	N/A	N/A
Maternal/Infant Health Services										
# of Visits	3,065	2,804	3,216	3,146	3,645	4,155	4,720	4,847	4,997	4,258
# of Dental Services with Miles of Smiles and Sealant Program	10,163	10,476	9,630	8,981	8,498	8,940	7,748	8,245	7,344	6,917
Mental Health										
# of Persons Served	2,784	3,513	3,276	3,205	3,203	3,064	3,076	2,964	3,041	2,955
Culture and recreation										
Parks:										
# of Operating Days	98	97	101	98	101	99	100	101	101	97
Daily Permits	33,004	36,511	33,267	38,576	30,670	31,524	30,450	30,663	30,933	23,068
Annual Permits	5,981	6,516	5,845	6,420	5,431	5,115	5,925	5,638	5,850	4,218

**COUNTY OF OTTAWA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government										
Register of Deeds:										
# of Deeds Recorded	11,898	11,210	9,559	9,633	8,933	9,428	10,173	10,156	11,625	12,452
County Clerk:										
# of Certified Copies (Births, Deaths, etc.)	20,173	20,076	17,757	19,382	19,016	21,096	21,182	19,294	19,097	18,773
County Treasurer:										
# of Receipts Written - General	N/A	N/A	19,581	16,729	18,357	14,239	15,172	15,477	15,271	17,950
# of Receipts Written - Tax Collections (including online)	6,525	7,295	7,738	8,946	9,620	8,141	8,071	7,449	N/A	N/A
Real Properties Returned Delinquent	4,772	5,396	5,891	6,800	7,493	7,179	7,043	6,349	6,814	6,453
Fiscal Services:										
# of A/P Checks/ACH Processed	23,006	25,074	27,529	24,330	24,399	25,278	25,678	26,517	26,891	25,471
# of Invoices Issued	9,392	12,031	10,526	11,087	10,839	15,200	11,929	11,002	10,388	8,823
Facilities Maintenance:										
# of Work Orders Processed	27,886	39,818	40,540	39,223	45,054	44,211	41,775	38,016	35,569	32,547

Source: Ottawa County Departments

**COUNTY OF OTTAWA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public Safety:										
Vehicular Patrol Units	135	134	133	133	136	137	134	133	130	131
Sheriff's Substations	8	8	8	8	8	8	8	8	7	7
Health and welfare										
Number of Clinics	3	3	3	3	3	4	4	4	4	4
Culture and recreation										
Total Park Acres ¹	3,542	3,542	3,542	3,542	3,429	3,560	3,360	3,351	3,032	2,369
General Government										
Total Square Footage of Buildings	644,220	642,020	642,020	647,104	647,104	728,033	582,161	582,161	538,612	542,173
Number of IT Servers	88	77	62	57	49	33	28	28	24	14

Source: Ottawa County Departments

¹ Does not include Park Open Space