

**County of Ottawa
Grand Haven, Michigan**



**2014 Comprehensive Annual
Financial Report**
Year Ended December 31, 2014
Prepared by: Fiscal Services Department

COUNTY OF OTTAWA
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2014

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INTRODUCTORY SECTION



County of Ottawa

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June 23, 2015

Members of the Board of Commissioners and citizens of the County of Ottawa:

Local governments are required to complete a set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the Comprehensive Annual Financial Report for the County of Ottawa, Michigan ("the County") for the fiscal year ended December 31, 2014.

Management of the County has established a comprehensive internal control framework to provide a reasonable basis for this report. Because the cost of internal controls should not outweigh their benefit, the internal control framework of the County is designed to provide reasonable, rather than absolute, assurance the financial statements are free from any material misstatement. Management assumes full responsibility for the completeness and reliability of the information presented in this report and we believe it to be complete and reliable in all material respects.

Vredeveld Haefner LLC, an independent firm of certified public accountants, has audited the financial statements contained in this report and has found them to present fairly, in all material respects, the financial position of the County. Vredeveld Haefner LLC also performed a single audit in conformity with the U.S. Office of Management and Budget circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the schedule of expenditures of federal awards, schedule of findings and questioned costs, and independent auditor's report, can be found at the end of this report.

GAAP require management to 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's MD&A can be found immediately following the report of the independent auditors.

Profile of the County

The County was established in 1837 and encompasses approximately 565 square miles of the southwestern portion of Michigan's Lower Peninsula, including over 30 miles of Lake Michigan shoreline. The six cities, one village, and seventeen townships of the County are home to approximately 276,292 people, making the County the eighth most populous county in the state. Since 2010, the County has been the fastest growing county in the state and has been named Michigan's Healthiest County three times. The County is governed by an 11-member elected Board of Commissioners ("Board") and provides a wide range of services to residents, including law enforcement, administration of justice, community development and enrichment, health and human services, and recreation. Thanks to the sound management by the Board, elected officials, and appointed county administration, the County continues to maintain a healthy financial status, including high credit ratings, low interest rates, and the fifth lowest general property tax levy in the state.

Although considered legally separate entities, the County works closely with its six component units – Drain Commission, Insurance Authority, Public Utilities System, Central Dispatch Authority, Building Authority, and Road Commission – to provide the citizens of the County additional services.

Local Economy

As the State of Michigan's housing market fights to rebound, the County continues to see a strong real estate market and increasing property values. The City of Hudsonville was ranked the healthiest, and the City of Zeeland the second healthiest, housing market in the state by SmartAsset, a research firm that specializes in personal finance analysis.

Sustained economic growth by the County, including a 3.4% increase in Gross Domestic Product, has helped attract significant business development and expansion to the area. The Holland-Grand Haven area was ranked as the 29th Best Performing Large Cities by the nonprofit, nonpartisan Milken Institute, and second in the nation for short-term job growth. Unemployment in the County decreased by 2% and the jobless rate is one of the lowest in the state. According to a study released by the Brookings Institute, the Grand Rapids metropolitan area had the 9th fastest growing economy in the U.S. and the 69th fastest growing economy among the 300 largest metropolitan areas in the world.

The natural beauty of West Michigan continues to attract tourists, with festivals like Tulip Time in Holland and The Coast Guard Festival in Grand Haven, and fairs like the Ottawa County Fair and Hudsonville Fair, bringing nearly one million visitors to the area each year. Holland State Park ranks second and Grand Haven State Park ranks fifth, with 1.9 and 1.5 million visitors, respectively. Grand Haven received accolades from USA Today and the Lansing State Journal as a top beach destination.

Regionalization of services in West Michigan by Governor Snyder has impacted employment and finances for Michigan Department of Transportation (MDOT), Community Mental Health (CMH), and Workforce Development Boards (MiWorks!) and the County anticipates more changes to come in 2015. Additionally, there is growing concern amongst the employers within the County about attracting and retaining global talent in west Michigan.

Major Initiatives

The County initiated and/or completed a number of major initiatives in 2014 designed to enhance residents' quality of life and increase the efficiency and effectiveness of county government. These initiatives, which include an increased social media presence, innovation and technology upgrades, collaboration with local government partners, and strengthened hiring practices, have continued to make the County the location of choice to work, play, and live.

The "Four C's": Communication, Creativity, Customer Service, Cultural Intelligence. The County continues to expand the Four C's with an added communications position, New North innovation training, "The Disney Way" customer service training, and increased awareness of diversity and inclusion through cultural and diversity training.

The Health Management Program: Described as industry-leading by Priority Health, the County's healthcare provider, the health management program saw expansion and increased participation in 2014, furthering the goal of lowering the cost of health insurance by lowering claims.

Pension Obligation Bonds: The Board approved the sale of \$29 million in pension obligation bonds to offset the short-term increase in annual contributions resulting from the transition from defined benefit to defined contribution plans. The bonds, which were sold at 3.12% true interest cost, are projected to save nearly \$10 million over the life of the bond.

Michigan Works: The County assisted 31 companies in receiving awards of over \$800,000 in skilled trades training funds (STTF), nearing the top of the state in production. In conjunction with the other agencies in the region, Region 4 led the state in STTF awards.

Innovation and Technology (IT): As the County strives to expand its technology presence, several initiatives were implemented in 2014, including the updating of the aerial photography for the County's Geographic Information System (GIS). This updated the orthogonal imagery to include all four sides and straight down was the first since 2008 and greatly increased the degree of detail. The IT department also completed major organizational changes, as a result of the 2012 Plante & Moran study, to better service the needs of County employees and citizens. These changes included expansion of the Technical Infrastructure Team, modifications to the Support Group Team, and realignment of CMH IT Team with CMH Quality Insurance Team. The IT department also expanded services to Spring Lake Township and completed major infrastructure updates, including Wide Area Network (WAN) speed upgrades, Local Area Network (LAN) upgrades, wireless network upgrades, increased server storage, firewalls, web filtering, and the integration of Virtual Desktop Infrastructure (VDI).

Courts: Judicial services in the County continued to expand in 2014 with many areas of focus. Some of the highlights include:

- A Strategic Planning Task Force was appointed by the Courts in 2014 to review and update the Circuit/Probate Strategic Plan. Their review included detailed analysis of internal and external trends, including stakeholder surveys.
- The Sobriety Treatment Program expanded to the Grand Haven District Court to more fairly service the citizens of the County. The program had previously only existed in Holland.
- Implementation of the Youth Level Service (YLS) Risk Assessment began in early 2014 and will provide the Court with a clear direction toward data driven best practices. The assessment provides an improved understanding of the population served as it relates to probability of re-offense, identification of individual needs, and appropriate treatment approaches.
- Utilizing the talents of existing staff, Juvenile Services trained staff to perform services which had been previously performed by an outside contractor, thereby reducing expenses and improving the quality of service provided.
- The trial division continues to make strides on felony collections, surpassing the \$1 million mark for the third year in a row, with over 50% being returned to crime victims in the form of restitution payments.
- A new domestic mediation plan was created for all divorces filed in the 20th Circuit Court and took effect January 1, 2014. The plan is designed to provide early intervention/resolution in divorce cases using mediation as a tool for parties to settle their case in a more efficient and affordable manner.
- Friend of the Court (FOC) continued to improve outcomes as measured by federal performance standards and was awarded over \$300,000 in incentive payments as a direct result of their success. Additionally, more than \$35 million in child support was collected and provided to families in need.
- Digital docket boards were installed in the Probate Court lobby to improve customer service by providing litigants and attorneys real-time court schedules and accurate directions to courtrooms.

Grants: The County received numerous new grants to expand current programs and services, or to provide new programs and services. Below is a summary of some of the major additions:

- Brownfield Assessment (\$400,000) – a three-year grant awarded by the U.S. Environmental Protection Agency to perform environmental assessments of contaminated properties, also known as brownfields, such as former gas stations, metal plating facilities, and dry cleaners. The County distributes these funds to local communities and developers to assess the properties and plan for cleanup. The County estimates return on investment of the \$70,000 distributed thus far to result in an increase greater than \$6 million in new local investment and the creation of 75 permanent, full-time jobs.

- Substance Abuse and Mental Health Services Administration (SAMHSA) (\$919,737) – a three-year grant awarded by the U.S. Department of Justice to expand the services provided by the Adult Drug Treatment Court, including the Co-Occurring Disorders Enhancement Project.
- Mental Health Treatment Court (\$100,000) – awarded by the State of Michigan Supreme Court, this specialty problem-solving court is designed to ensure people with mental illness who have committed certain crimes receive both the treatment they need and the support they deserve to comply with the requirements of the Holland District Court.

Great Lakes Ag-Tech Business Incubator: Kicked off at the end of 2014, this non-profit corporation specializes in helping farmers and entrepreneurs turn their ag-technology machine, equipment, or software ideas and inventions into successful business. Funding for this project is coming from the State of Michigan (\$500,000) and private investors. Services include validating concepts, obtaining patents, developing commercial markets for client products, streamlining regulatory permits, developing financial plans, assembling management teams, obtaining business financing, and developing supply chain scalability plans. The Incubator has also created a Member County Partnership Program to share the pool of technical experts, sponsor donations, and business consultants with other counties at cost-effective rates.

Recreation: The County continues to increase the quality of life for citizens and visitors, especially with the expansion of the non-motorized pathway system. Over the last 12 years, the Planning Commission has constructed nearly 20 miles of pathways connecting Grandville, Hudsonville, Zeeland, and Holland areas.

Other substantial projects include:

- MDOT is currently constructing M-231 in central Ottawa County which includes a bridge over the Grand River with a non-motorized pathway. In conjunction with this road and bridge project, the County is constructing the Spoonville Trail, a \$2.66 million, 3.8-mile pathway extending from the Grand River Bridge to the North Bank Trail in Nunica.
- The design of the \$15 million, 28-mile Grand River Greenway Trail started in 2014. The pathway will pass through thousands of parkland acres along the Grand River as it connects Grand Haven to Grand Valley State University, and eventually the Grand Rapids area.
- The Grand River Open Space in Tallmadge Township was expanded to 279 acres and 1.5 miles of Grand River frontage with the purchase of 45.7 acres of riverfront property. The purchase, made possible by a grant from the Michigan Natural Resources Trust Fund and the county parks millage, expands opportunities for hunting, fishing, hiking, and other recreation.
- Two universally accessible kayak/canoe launches were installed at Connor Bayou and Grand River Park with assistance from a state grant. These launches, in addition to the launch at Eastmanville Bayou, provide a stable platform for paddlers to enter and exit canoes and kayaks assist them in making a smooth transition into the water.
- Construction of a 10-foot wide, paved, non-motorized trail through the Upper Macatawa Natural Area (UMNA) began in July and is anticipated to be complete in early 2015. The 2.4-mile trail runs through diverse habitats of the UMNA and includes four bridges. Funding for \$941,268 of the \$1.85 million project is coming from an MDOT grant through its Transportation Alternative Program.
- Over 1,300 feet of walkway was constructed linking Black Lake Boardwalk East and West along Lake Macatawa. The \$600,000 project was funded with assistance from the Michigan Natural Resources Trust Fund and provides park visitors with dramatic waterfront views along with historic interpretive displays, bird spotting scopes, and sitting areas.

Long-Term Financial Planning

The County continues to look for ways to reduce spending – by decreasing cost, increasing efficiency, and streamlining processes. In 2014, the County changed banks and anticipates saving nearly \$4,000 a month when the implementation is complete.

During 2014 the County established a Capital Projects Review team to which elected officials and department heads submitted project requests. The Review team then prepared a five-year Capital Improvement Plan (CIP) and made the recommendation to County Administration and the Board.

The County anticipates a financially-healthy 2015 thanks to increased property values, excluding value under appeal, increased employment, increased state revenue sharing, and stable fund balance reserves. As the economy in the state and the nation improve, the County is anticipating seeing additional revenue from property taxes, federal grants, and donations.

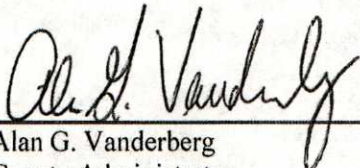
Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for the Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2013. In order to be awarded a Certificate of Achievement, the County published a CAFR whose contents conform to program standards. This CAFR satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year and the County has received this prestigious award for thirty-one consecutive years. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

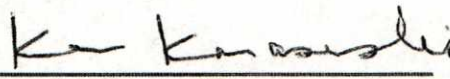
Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Fiscal Services Department. We would like to express our appreciation to all members of the department who assisted and contributed, as well as the Board of Commissioners for their continued leadership and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Sincerely,



Alan G. Vanderberg
County Administrator



Karen Karasinski, CPA
Fiscal Services Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

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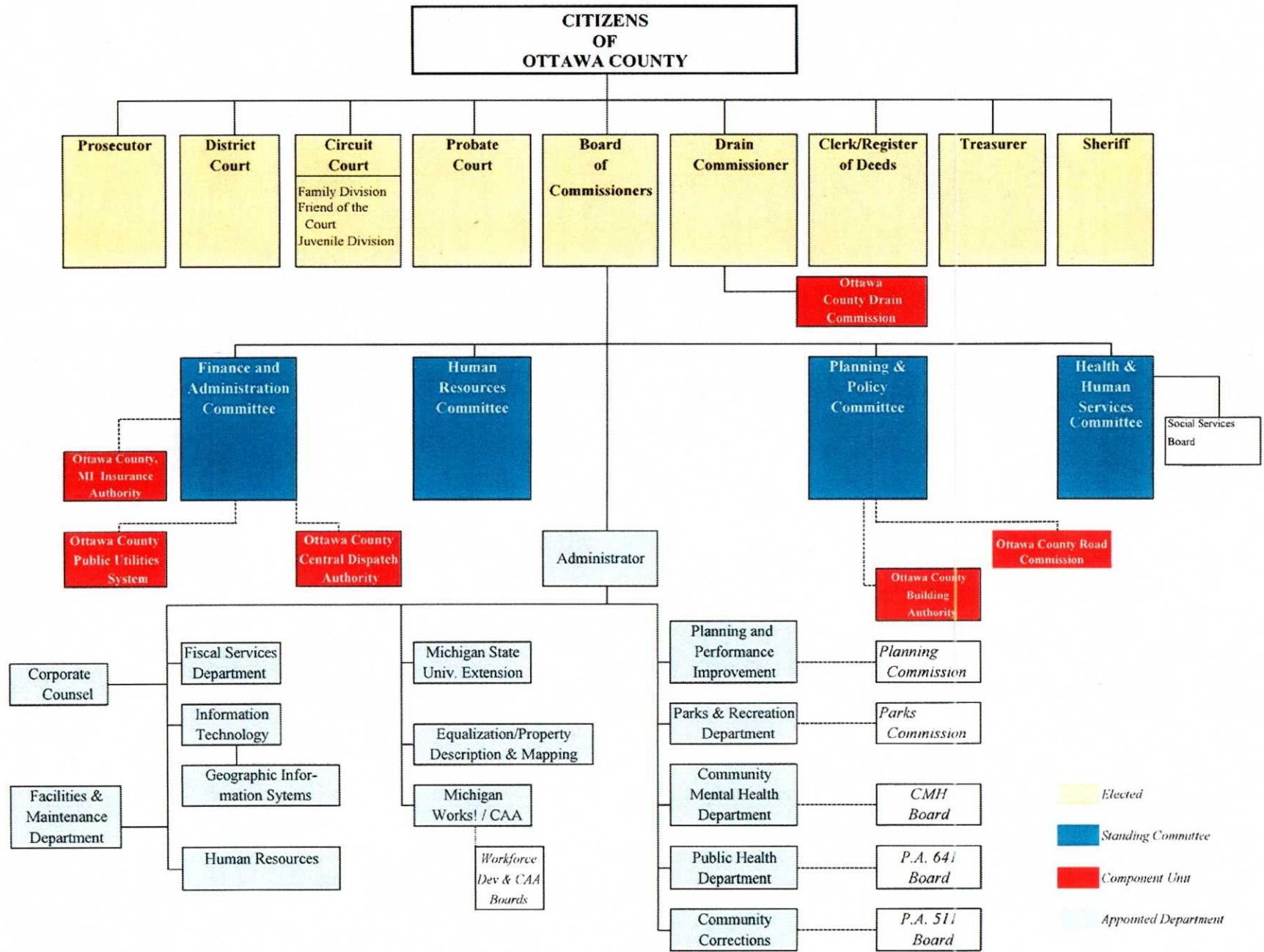
**County of Ottawa
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

2014 ORGANIZATIONAL CHART



COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

COUNTY OF OTTAWA

Grand Haven, Michigan

For the Year Ended December 31, 2014

BOARD OF COMMISSIONERS

2014

JAMES HOLTROP, CHAIRPERSON
JOSEPH BAUMANN, VICE CHAIRPERSON

ROGER BERGMAN
ALLEN DANNENBERG
GREG DEJONG
DONALD DISSELKOEN
MATTHEW FENSKE

JAMES HOLTVLUWER
PHILIP KUYERS
DENNIS VAN DAM
STU VISSER

ADMINISTRATOR
ALAN G. VANDERBERG

FISCAL SERVICES DIRECTOR
KAREN KARASINSKI, CPA

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

June 24, 2015

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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 2.4 percent, 0.1 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, 2014, 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 3-14 and the information on pages 85-91 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 24, 2015, 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

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, 2014. 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 i-v of the introductory section.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$223,377,515 (*net position*). Of this amount, \$89,543,330 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$2,648,696.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$55,655,959, a decrease of \$4,162,345 in comparison with the prior year. 76.2 percent of the ending fund balances, \$42,404,914, are subject to the underlying limitations applicable to the particular general, special revenue, debt service and capital project funds. 23.8 percent of this total amount, \$13,251,045, is available for spending at the government's discretion only (General Fund unassigned fund balance)
- The General Fund had a net decrease in fund balance of \$4,625,583 for 2014. At the end of the year, total fund balance for the General Fund was \$43,336,057, or approximately 70.7 percent of total General Fund expenditures (including transfers).
- The County's total bonded debt increased by \$20,039,676 during the current fiscal year. In 2014, Ottawa County (primary government) issued \$29,000,000 of Pension bonds to cover the unfunded portion of the outstanding pension.

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 20 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, and the Mental Health funds, each of which is considered to be a major fund. Data from the other 17 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 multiyear 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 \$223,377,515 at the close of the most recent fiscal year.

County of Ottawa's Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Current and other assets	\$125,459,171	\$151,285,558	\$23,758,891	\$23,153,917	\$149,218,062	\$174,439,475
Deferred outflows of resources	\$185,922	\$139,441			\$185,922	\$139,441
Capital assets	130,628,596	132,821,815			130,628,596	132,821,815
Total assets and deferred outflows of resources	256,273,689	284,246,814	23,758,891	23,153,917	280,032,580	307,400,731
Long-term liabilities outstanding	24,492,357	51,469,771			24,492,357	51,469,771
Other liabilities	22,218,676	24,972,457	8,936	17,475	22,227,612	24,989,932
Deferred inflows of resources	7,286,400	7,563,573			7,286,400	7,563,573
Total liabilities and deferred inflows of resources	53,997,433	84,005,801	8,936	17,475	54,006,369	84,023,276
Net position:						
Net investment in capital assets	104,330,730	112,174,398			104,330,730	112,174,398
Restricted	20,227,256	20,170,121	1,170,787	1,489,576	21,398,043	21,659,697
Unrestricted	77,718,270	67,896,554	22,579,168	21,646,866	100,297,438	89,543,420
Total net position	\$202,276,256	\$200,241,073	\$23,749,955	\$23,136,442	\$226,026,211	\$223,377,515

A large portion of the County's net position (40 percent) is unrestricted. *Unrestricted net position* may be used to meet the government's ongoing obligations to citizens and creditors.

Capital assets, representing 50 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 increased slightly in 2014 due to 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 \$21,659,697. The 2014 balance is slightly higher due to increases in restrictions for public improvements.

County of Ottawa's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Revenues						
Program revenue:						
Charges for services	\$25,075,304	\$25,044,897	\$2,015,105	\$1,300,687	\$27,090,409	\$26,345,584
Operating grants and contributions	58,200,664	60,350,883			58,200,664	60,350,883
Capital grants and contributions	92,595				92,595	0
General revenues:						
Property taxes	41,102,695	42,185,402			41,102,695	42,185,402
Grants and contributions not Restricted to specific programs	3,180,245	4,124,536			3,180,245	4,124,536
Investment earnings	3,509,045	2,717,490	(13,544)	261,179	3,495,501	2,978,669
Other	1,448,322	1,234,530	89		1,448,411	1,234,530
Total revenues	132,608,870	135,657,738	2,001,650	1,561,866	134,610,520	137,219,604
Expenses:						
Legislative	399,151	441,294			399,151	441,294
Judicial	15,693,406	16,209,766			15,693,406	16,209,766
General government	14,013,699	14,509,005			14,013,699	14,509,005
Public safety	31,265,666	33,036,226			31,265,666	33,036,226
Public works	956,091	1,717,110			956,091	1,717,110
Health and welfare	63,709,147	66,399,041			63,709,147	66,399,041
Community and economic development	710,324	807,476			710,324	807,476
Culture and recreation	3,502,223	3,559,748			3,502,223	3,559,748
Interest on long-term debt	942,708	1,163,255			942,708	1,163,255
Business-type activities			2,110,897	2,025,379	2,110,897	2,025,379
Total expenses	131,192,415	137,842,921	2,110,897	2,025,379	133,303,312	139,868,300
Increase in net position before transfers to other funds	1,416,455	(2,185,183)	(109,247)	(463,513)	1,307,208	(2,648,696)
Transfers	152,440	150,000	(150,000)	(150,000)	2,440	0
Increase (decrease) in net position	1,568,895	(2,035,183)	(259,247)	(613,513)	1,309,648	(2,648,696)
Net position, beginning of year, as restated	200,707,361	202,276,256	24,009,202	23,749,955	224,716,563	226,026,211
Net position, end of year	\$202,276,256	\$200,241,073	\$23,749,955	\$23,136,442	\$226,026,211	\$223,377,515

*Expenses include indirect expense allocation

The preceding table shows that the primary government's net position decreased by \$2.6 million during 2014. Activity affecting net position is as follows:

Revenues:

Revenues decreased by 1.9% in 2014. There are several revenue sources with variances as follows.

Program charges for services:

Program charges for services decreased approximately \$89,000 in total.

Program operating grants and contributions:

Program grant revenue increased \$1.5 million or 2.6% overall. The majority of the increase was related to health and mental health department increases. And was offset by a decrease in Michigan Works! Funding.

Program capital grants and contributions

These revenues vary depending on the number /and scope of capital improvement projects. There were no capital grants and contributions in 2014.

Property taxes

Taxes increased by \$1.1 million or 2.6% which is consistent with the increases in taxable value.

Grants and Contributions Not Restricted to Specific Programs

The comparison of 2014 State revenue sharing/CIP money payment to 2013 shows an induction of \$1 million.

Expenses:

Expenses as a whole increased \$6.5 million or 4.9%.

Legislative

Expenses were consistent with prior years.

Judicial

Judicial expenses increased for two reasons. In 2014, the friend of the court fund added staff and increased wages. The other governmental grants fund received a new grant resulting in additional expenses.

General government

General government expenses increased approximately \$500,000. Primarily due to increases in personnel costs.

Public safety

Public safety expenses increased \$1,770,560 or 5.7% due to additional staffing for contracts with local communities.

Public works

These expenses can vary significantly by year. Expenses were up \$761,029. Primarily due to an increase in the long-term liability for the landfill.

Health and Welfare

Health and welfare expenses decreased \$2.7 million, or 4.2%. The primary cause was the closing of the protected self-funded insurance mental health internal service fund. This resulted in approximately \$2 million dollars of expense.

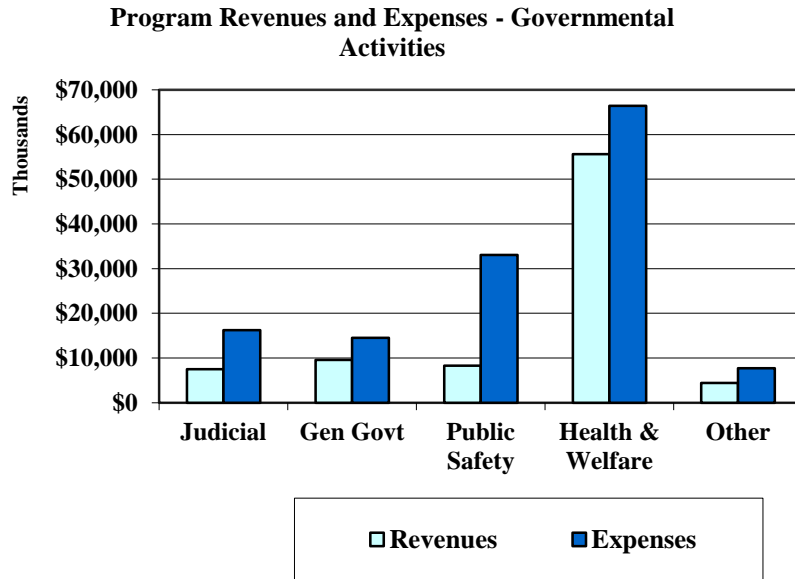
Culture and Recreation

Expenses for Culture and Recreation were consistent with prior years.

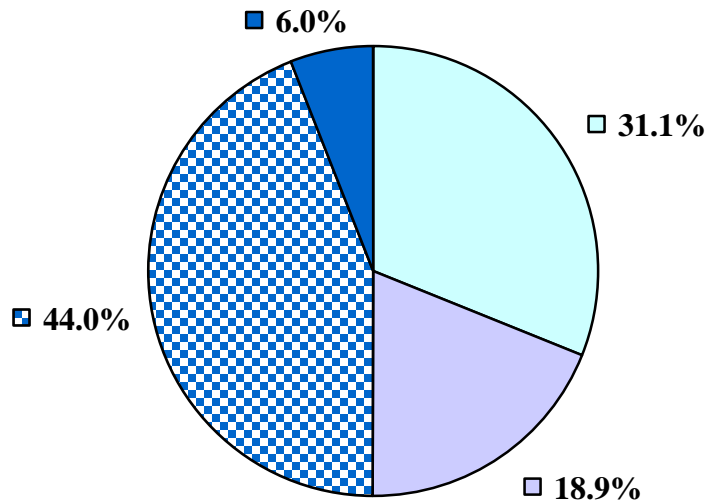
Interest on long-term debt

Interest on long-term debt decreased \$221,000 or 23.4%. This is primarily the result of long-term debt additions.

The graph below summarizes revenues and expenses by category.



Revenues by Source - Governmental Activities

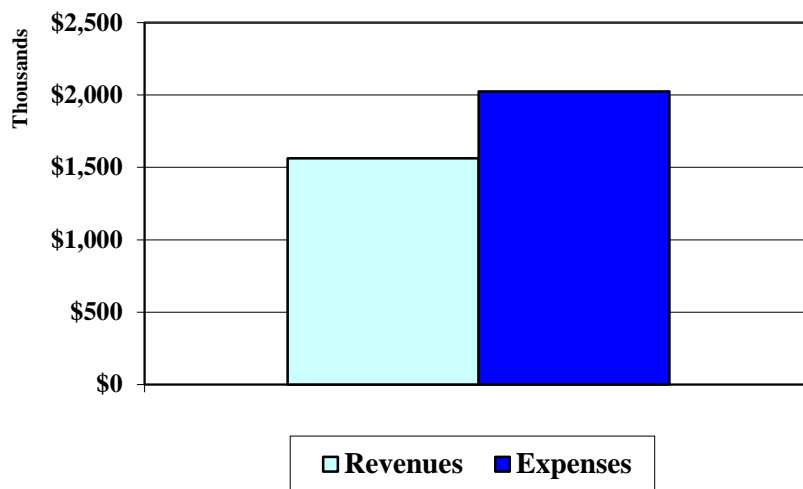


□ Property Taxes □ Charges for Services □ Operating Grants and Contributions ■ All Other Revenue

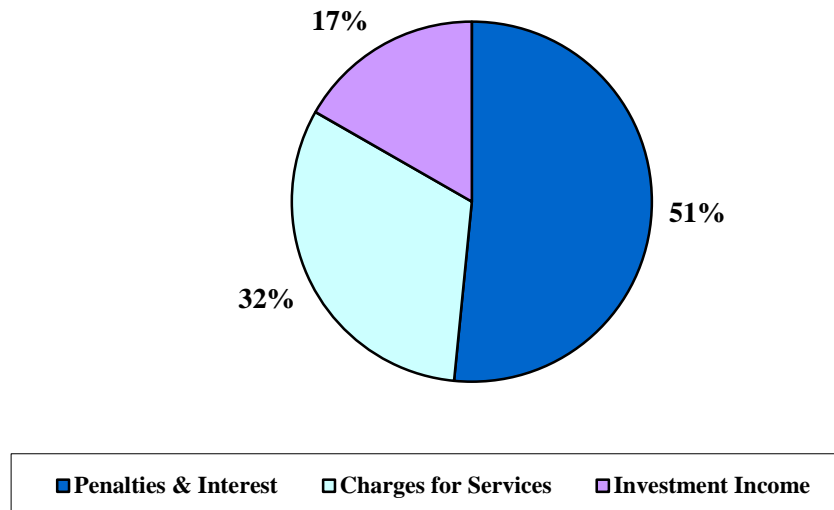
Business-type Activities

Business-type activities decreased the County's net position by \$614,000 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 \$55,655,959, a decrease of \$4.1 million in comparison with the prior year.

Approximately 61% percent of this total amount (\$34.1 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 (\$826,870), 2) unavailable as it provides a long-term advance to component units and other funds (\$325,000) or 3) unavailable due to legal restrictions (\$20,358,397). Of the \$34.1 million, \$16.6 million has been committed by the Board of Commissioners for specific projects/spending, and \$4.3 million has been assigned by the County Administrator for specific projects/spending. The remaining \$13.2 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 \$13,251,045, while total fund balance was \$43,336,057. 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 13.9 percent of total General Fund expenditures and transfers out.

The fund balance of the County's General Fund decreased by \$4.6 million during 2014. This was mostly due to payments beginning on the 2013 qualified energy bonds, an increase in transfers to other funds, and personnel cost increases.

The Parks and Recreation fund (2081) has a total fund balance of \$4.49 million, which is a decrease of \$176,000. 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

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 \$61,983,836 and \$63,156,310 respectively. The amended revenue budget was \$62,220,811, and the amended expenditure budget was \$64,210,678.

The revenue budget increased overall by \$230,000. Upon award notification, budgets for Homeland Security grants increased revenues by \$365,000. The decrease in revenue of \$135,000 was spread throughout the rest of the County in various departments with no area having a material decrease.

The operating transfers in budget was decreased by approximately \$1.2 million when it became clear that the transfer of \$500,000 from the Insurance Authority and the \$625,000 operating transfer from the Delinquent Tax Revolving fund would not be needed.

The budget for General Fund expenditures increased \$1 in total, and expenditures and transfers out as a whole were \$2.8 million under budget. As explained under revenue, expenditures of \$450,000 for the Homeland Security grants were added to the budget during the year. The Circuit Court budget was increased by \$100,000, mostly for indigent legal costs associated with major trials. The budget in the Jail was increased \$100,000, mostly for additional wages and fringe benefit costs. The budget for drain assessments was increased by \$110,000 for assessments related to the Park West Drain project. The budget for Planning and Performance was decreased by \$230,000 due to a reduction in the cost of the Water Resource Study.

Mental Health saw decreases in both their revenue and expenditures from their adopted budget due to budget cuts from various programs.

Parks and Recreation made budget adjustments during the year based on the carryover of projects that were started in 2013, but were not completed as of December 31, 2013. This carryover resulted in an increase in the revenue budget of \$565,000 and an increase in the expense budget of \$2.9 million.

Capital Asset and Debt Administration

Capital assets. The County's (primary government) investment in capital assets as of December 31, 2014, amounted to \$132,821,815 (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 continued energy improvements in most County facilities in 2014. \$2.7 million of the project was been completed.
- Approximately \$2.3 million 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 approximately \$1 Million on vehicle replacements, mostly in Public Safety.

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

	<u>2014</u>	<u>2013</u>
Land	\$48,921,584	\$48,909,708
Construction in progress		
Land improvements	12,709,398	11,310,811
Buildings and improvements	64,147,543	64,439,680
Machinery and equipment	7,043,290	5,968,397
Infrastructure		
Total	<u>\$132,821,815</u>	<u>\$130,628,596</u>

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

Long-term debt. At the end of the current fiscal year, the County had total general obligation bonds outstanding of \$50,280,000 which are backed by the County's full faith and credit.

County of Ottawa's Outstanding Debt
General Obligation Bonds

	<u>2014</u>	<u>2013</u>
General obligation bonds	\$46,955,000	\$18,700,000
General obligation bonds - Refunding	3,325,000	4,435,000
Total	<u>\$50,280,000</u>	<u>\$23,135,000</u>

The County's total general obligation bonded debt increased by \$27 million. Debt from prior issues was reduced by \$2.1 million as planned. The County issued \$29,285,000 in pension bonds in 2014.

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 (2015) debt limitation for the County is \$1,095,230,355, 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 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 2015 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
(2.15%)	(.96%)	(1.44%)	3.19%	4%

- 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 millage 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 \$6.7 million the County may access with a vote of the Board of Commissioners.
- The unemployment rate for the County was 4.7% for 2014 which is significantly lower than Michigan as a whole (7.3%). The preliminary rate for April of 2015 is 3.7%. 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.

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.

BASIC FINANCIAL STATEMENTS

COUNTY OF OTTAWA

STATEMENT OF NET POSITION

DECEMBER 31, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and pooled investments	\$ 64,247,057	\$ 19,300,898	\$ 83,547,955	\$ 21,697,868
Investments	33,355,766	-	33,355,766	-
Receivables (net of allowance for estimated uncollectibles)				
Taxes	7,276,504	3,293,291	10,569,795	-
Accrued interest and penalties on delinquent taxes	-	557,083	557,083	-
Accounts	984,254	2,645	986,899	2,360,737
Accrued interest on investments	283,579	-	283,579	-
Internal balances	(560,005)	-	(560,005)	-
Advances to component units	325,000	-	325,000	-
Due from other governments	12,665,399	-	12,665,399	7,233,574
Inventory of supplies	328,345	-	328,345	1,057,139
Prepaid items	964,481	-	964,481	416,519
Total current assets	119,870,380	23,153,917	143,024,297	32,765,837
Noncurrent assets				
Net pension asset	30,768,837	-	30,768,837	529,000
Net other post employment benefits asset	453,133	-	453,133	-
Due from other governments	193,208	-	193,208	107,095,807
Capital assets not being depreciated	48,921,584	-	48,921,584	4,137,999
Capital assets being depreciated, net	83,900,231	-	83,900,231	216,374,834
Total noncurrent assets	164,236,993	-	164,236,993	328,137,640
Total assets	284,107,373	23,153,917	307,261,290	360,903,477
Deferred outflows of resources				
Unamortized deferred bond refunding costs	139,441	-	139,441	-
Liabilities				
Current liabilities				
Accounts payable	16,736,103	15,145	16,751,248	5,687,390
Interest payable	180,263	-	180,263	1,273,719
Due to other governments	1,889,581	2,330	1,891,911	168,733
Notes payable	-	-	-	404,000
Current portion of long-term debt	5,453,324	-	5,453,324	6,061,781
Advances from primary government	-	-	-	325,000
Advances from other governments	478,406	-	478,406	638,364
Unearned revenue	234,780	-	234,780	-
Total current liabilities	24,972,457	17,475	24,989,932	14,558,987
Noncurrent liabilities				
Noncurrent portion of long-term obligations	51,469,711	-	51,469,711	106,581,768
Total liabilities	76,442,168	17,475	76,459,643	121,140,755
Deferred inflows of resources				
Aggregate deferred inflows	7,563,573	-	7,563,573	-
Net position				
Net investment in capital assets	112,174,398	-	112,174,398	218,104,302
Restricted for				
Debt Service	-	-	-	2,889,886
Grants	2,198,300	-	2,198,300	-
Capital projects	8,391,757	-	8,391,757	6,896,847
State of Michigan public act restrictions	9,574,294	1,489,576	11,063,870	45,162
Infrastructure maintenance	-	-	-	503,695
Cemetery trust				
Expendable	90	-	90	-
Nonexpendable	5,770	-	5,770	-
Unrestricted	67,896,464	21,646,866	89,543,330	11,322,830
Total net position	\$ 200,241,073	\$ 23,136,442	\$ 223,377,515	\$ 239,762,722

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

COUNTY OF OTTAWA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

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	\$ 439,986	\$ 1,308	\$ -	\$ -	\$ -	\$ (441,294)
Judicial	14,010,915	2,198,851	4,131,540	3,375,252	-	(8,702,974)
General government	22,006,362	(7,497,357)	7,755,264	1,786,999	-	(4,966,742)
Public safety	31,911,274	1,124,952	7,310,998	954,634	-	(24,770,594)
Public works	1,708,061	9,049	378,009	182,225	-	(1,156,876)
Health and welfare	63,981,014	2,418,027	2,994,799	52,655,227	-	(10,749,015)
Community and economic development	805,219	2,257	52,968	117,720	-	(636,788)
Culture and recreation	3,558,372	1,376	600,025	1,093,743	-	(1,865,980)
Interest on long-term debt	1,163,255	-	1,821,294	185,083	-	843,122
Total governmental activities	139,584,458	(1,741,537)	25,044,897	60,350,883	-	(52,447,141)
Business-type activities						
Delinquent tax collection	204,085	1,821,294	1,300,687	-	-	(724,692)
Total primary government	\$ 139,788,543	\$ 79,757	\$ 26,345,584	\$ 60,350,883	\$ -	\$ (53,171,833)
Component units	\$ 57,610,014	\$ -	\$ 32,757,307	\$ 23,187,855	\$ 10,924,631	\$ 9,259,779

(Continued)

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

COUNTY OF OTTAWA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (52,447,141)	\$ (724,692)	\$ (53,171,833)	\$ 9,259,779
General revenues				
Property taxes, levied for general purposes	35,034,298	-	35,034,298	-
Property taxes, levied for park development	2,991,779	-	2,991,779	-
Property taxes, levied for E-911 Central Dispatch	4,159,325	-	4,159,325	-
Grants and contributions not restricted to specific programs	4,124,536	-	4,124,536	-
Investment earnings	2,717,490	261,179	2,978,669	87,122
Miscellaneous	1,234,530	-	1,234,530	126,803
Transfers - internal activities	150,000	(150,000)	-	-
Total general revenues and transfers	<u>50,411,958</u>	<u>111,179</u>	<u>50,523,137</u>	<u>213,925</u>
Change in net position	(2,035,183)	(613,513)	(2,648,696)	9,473,704
Net position, beginning of year	<u>202,276,256</u>	<u>23,749,955</u>	<u>226,026,211</u>	<u>230,289,018</u>
Net position, end of year	<u>\$ 200,241,073</u>	<u>\$ 23,136,442</u>	<u>\$ 223,377,515</u>	<u>\$ 239,762,722</u>

(Concluded)

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

COUNTY OF OTTAWA

GOVERNMENTAL FUNDS BALANCE SHEET

DECEMBER 31, 2014

(with comparative totals for the year ended December 31, 2013)

	<u>General</u>	<u>Parks and Recreation</u>	<u>Mental Health</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>	
					<u>2014</u>	<u>2013</u>
Assets						
Cash and pooled investments	\$ 38,985,659	\$ 5,210,250	\$ 10,631	\$ 6,687,646	\$ 50,894,186	\$ 58,295,844
Receivables (net of allowance for estimated uncollectibles)						
Taxes	4,507,254	2,769,250	-	-	7,276,504	6,891,696
Accounts	526,829	3,012	241,810	204,763	976,414	1,149,589
Accrued interest on investments	170,045	-	-	3,693	173,738	128,862
Due from other funds	-	-	1,041,840	-	1,041,840	1,035
Due from other governmental units	3,200,022	157,071	4,244,151	5,257,363	12,858,607	10,368,619
Interfund receivable	4,408,218	-	-	-	4,408,218	2,095,465
Advances to component units	325,000	-	-	-	325,000	325,000
Inventory of supplies	17,445	16,701	67,666	226,533	328,345	366,068
Prepaid expenditures	106,996	-	142,658	49,893	299,547	236,106
Total assets	\$ 52,247,468	\$ 8,156,284	\$ 5,748,756	\$ 12,429,891	\$ 78,582,399	\$ 79,858,284
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	\$ 2,346,587	\$ 539,041	\$ 3,201,022	\$ 2,605,565	\$ 8,692,215	\$ 6,180,117
Due to other governmental units	-	-	1,768,035	69,794	1,837,829	2,147,671
Due to other funds	-	-	560,005	-	560,005	1,035
Interfund payable	-	-	-	1,505,032	1,505,032	1,532,445
Advances from other governmental units	-	-	-	478,406	478,406	420,856
Unearned revenue	81,202	43,275	1,664	108,639	234,780	319,036
Total liabilities	2,427,789	582,316	5,530,726	4,767,436	13,308,267	10,601,160
Deferred inflows of resources						
Aggregate deferred inflows	6,483,622	3,085,998	-	48,553	9,618,173	9,438,820
Fund balances						
Nonspendable	642,649	16,701	210,324	282,196	1,151,870	1,285,745
Restricted	11,019,013	4,471,269	7,706	4,860,409	20,358,397	22,920,409
Committed	16,602,224	-	-	415	16,602,639	20,197,817
Assigned	1,821,126	-	-	2,470,882	4,292,008	5,496,080
Unassigned	13,251,045	-	-	-	13,251,045	9,918,253
Total fund balances	43,336,057	4,487,970	218,030	7,613,902	55,655,959	59,818,304
Total liabilities, deferred inflows of resources and fund balances	\$ 52,247,468	\$ 8,156,284	\$ 5,748,756	\$ 12,429,891	\$ 78,582,399	\$ 79,858,284

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

COUNTY OF OTTAWA

RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION

DECEMBER 31, 2014

Fund balances - total governmental funds \$ 55,655,959

Amounts reported for *governmental activities* in the statement of net position are different because

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.

Add - land	48,921,584
Add - capital assets (net of accumulated depreciation)	79,095,175

Certain assets are not due and receivable in the current period and therefore are offset with deferred revenue in the funds.

Add - post employment benefits asset	453,133
Add - net pension asset	30,768,837

Internal service funds are used by management to charge the costs of centralized services, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.

Add - net position of governmental activities accounted for in the internal service funds	40,255,642
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Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Deduct - bonds and notes payable	(50,280,000)
Deduct - landfill reclamation	(3,560,400)
Deduct - compensated absences payable	(2,821,299)
Deduct - accrued interest payable	(180,263)
Deduct - unamortized bond premium	(261,336)
Add - unamortized deferred bond refunding loss	139,441

Net position of governmental activities \$ 200,241,073

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

COUNTY OF OTTAWA

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)

	General	Parks and Recreation	Mental Health	Nonmajor Governmental Funds	Total Governmental Funds	
					2014	2013
Revenues						
Taxes	\$ 39,185,499	\$ 2,991,779	\$ -	\$ 8,124	\$ 42,185,402	\$ 41,102,695
Intergovernmental revenues	8,745,471	438,139	37,511,990	23,198,652	69,894,252	67,009,472
Charges for services	8,608,314	560,804	595,455	1,740,271	11,504,844	11,581,189
Fines and forfeits	74,400	-	-	-	74,400	60,548
Investment earnings (loss)	570,626	74,825	(2,343)	78,334	721,442	(77,480)
Licenses and permits	399,935	-	-	779,766	1,179,701	1,193,107
Rental income	3,101,153	36,062	-	1,821,294	4,958,509	5,273,139
Other	749,825	664,671	739,995	1,087,375	3,241,866	2,832,192
Total revenues	<u>61,435,223</u>	<u>4,766,280</u>	<u>38,845,097</u>	<u>28,713,816</u>	<u>133,760,416</u>	<u>128,974,862</u>
Expenditures						
Current operations						
Legislative	443,624	-	-	-	443,624	395,482
Judicial	11,932,740	-	-	4,239,583	16,172,323	15,698,396
General government	42,198,850	-	-	194,342	42,393,192	10,978,892
Public safety	24,941,856	-	-	6,987,054	31,928,910	30,990,804
Public works	746,329	-	-	538,871	1,285,200	916,331
Health and welfare	681,890	-	39,489,711	22,991,123	63,162,724	63,281,014
Community and economic development	744,756	-	-	68,762	813,518	704,966
Culture and recreation	-	2,627,130	-	-	2,627,130	3,076,797
Other governmental functions	252,124	-	-	-	252,124	130,386
Debt service	576,505	-	-	2,582,919	3,159,424	2,617,990
Capital projects	160,489	2,315,298	57,974	2,740,105	5,273,866	2,293,633
Total expenditures	<u>82,679,163</u>	<u>4,942,428</u>	<u>39,547,685</u>	<u>40,342,759</u>	<u>167,512,035</u>	<u>131,084,691</u>
Revenues over (under) expenditures	<u>(21,243,940)</u>	<u>(176,148)</u>	<u>(702,588)</u>	<u>(11,628,943)</u>	<u>(33,751,619)</u>	<u>(2,109,829)</u>
Other financing sources (uses)						
Transfers from other funds	-	-	563,108	12,407,809	12,970,917	10,149,065
Transfers to other funds	(12,520,917)	-	-	-	(12,520,917)	(9,736,625)
Issuance of bonds	29,285,000	-	-	-	29,285,000	5,495,000
Discount on bonds issued	(145,726)	-	-	-	(145,726)	-
Total other financing sources (uses)	<u>16,618,357</u>	<u>-</u>	<u>563,108</u>	<u>12,407,809</u>	<u>29,589,274</u>	<u>5,907,440</u>
Net change in fund balances	(4,625,583)	(176,148)	(139,480)	778,866	(4,162,345)	3,797,611
Fund balances, beginning of year	<u>47,961,640</u>	<u>4,664,118</u>	<u>357,510</u>	<u>6,835,036</u>	<u>59,818,304</u>	<u>56,020,693</u>
Fund balances, end of year	<u>\$ 43,336,057</u>	<u>\$ 4,487,970</u>	<u>\$ 218,030</u>	<u>\$ 7,613,902</u>	<u>\$ 55,655,959</u>	<u>\$ 59,818,304</u>

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

COUNTY OF OTTAWA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

Net changes in fund balances - total governmental funds \$ (4,162,345)

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 are allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	5,182,902
Deduct - depreciation expense	(4,726,294)
Deduct - net book value of disposed capital assets	(10,235)

Certain receivables are long-term in nature and are collectable over several years. However only the current year's receipts are reflected as revenues in the fund statements.

Deduct - decrease in unavailable revenues	(98,726)
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Bond or note proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond or note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Add - principal payments on debt	2,140,000
Deduct - bond issue	(29,285,000)
Deduct - increase in landfill reclamation liability	(279,898)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Deduct - increase in compensated absences	(23,628)
Deduct - decrease in other post employment benefit asset	(5,482)
Add - increase in net pension asset	29,034,680
Add - amortization of bond premium	56,241
Deduct - amortization of deferred charge on refunding	(46,481)
Deduct - increase in accrued interest	(7,865)

Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

Add - increase in net position from the internal service funds	<u>196,948</u>
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Change in net position of governmental activities \$ (2,035,183)

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

COUNTY OF OTTAWA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Business-type Activities Enterprise Fund	Governmental Activities
	<u>Delinquent Tax Revolving Fund</u>	<u>Internal Service Funds</u>
Assets		
Current assets		
Cash and pooled investments	\$ 19,300,898	\$ 10,449,685
Investments	-	33,355,766
Receivables		
Delinquent taxes receivable	3,293,291	-
Accrued interest and penalties on delinquent taxes	557,083	-
Accounts	2,645	7,840
Accrued interest on investments	-	109,841
Due from other funds	-	4,091,350
Prepaid expenses	-	664,934
	<u>23,153,917</u>	<u>48,679,416</u>
Total current assets		
Noncurrent assets		
Capital assets		
Office furniture and equipment	-	6,607,165
Copy machines	-	287,751
Telephone equipment	-	2,278,719
Vehicles	-	5,256,377
Less accumulated depreciation	-	<u>(9,624,956)</u>
Net capital assets	-	<u>4,805,056</u>
	<u>23,153,917</u>	<u>53,484,472</u>
Total assets		
Liabilities		
Current liabilities		
Accounts payable	15,145	8,043,888
Due to other funds	-	5,133,190
Due to other governmental units	2,330	51,752
	<u>17,475</u>	<u>13,228,830</u>
Total liabilities		
Net position		
Invested in capital assets	-	4,805,056
Restricted for land foreclosure	1,489,576	-
Unrestricted	21,646,866	35,450,586
	<u>23,136,442</u>	<u>40,255,642</u>
Total net position		
	<u>\$ 23,136,442</u>	<u>\$ 40,255,642</u>

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

COUNTY OF OTTAWA

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities Enterprise Fund	Governmental Activities
	Delinquent Tax Revolving Fund	Internal Service Funds
Operating revenues		
Charges for services	\$ 495,049	\$ 18,969,423
Penalties and interest in delinquent taxes	805,638	-
Other revenue	-	190,722
Total operating revenues	1,300,687	19,160,145
Operating expenses		
Personnel services	98,852	2,322,559
Contractual services	87,395	637,871
Supplies	17,838	50,292
Depreciation	-	1,322,455
Building and equipment rental	1,821,294	193,317
Claims and legal	-	2,756,090
Miscellaneous	-	13,386,925
Total operating expenses	2,025,379	20,669,509
Operating income	(724,692)	(1,509,364)
Nonoperating revenues (expenses)		
Investment earnings	261,179	772,864
Net change in the fair value of investments	-	1,223,184
Gain on sale of capital assets	-	10,264
Total nonoperating revenues	261,179	2,006,312
Income before transfers	(463,513)	496,948
Transfers		
Transfers out	(150,000)	(300,000)
Change in net position	(613,513)	196,948
Total net position, beginning of year	23,749,955	40,058,694
Total net position, end of year	\$ 23,136,442	\$ 40,255,642

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

COUNTY OF OTTAWA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities Enterprise Fund	Governmental Activities
	Delinquent Tax Revolving Fund	Internal Service Funds
Cash flows from operating activities		
Cash received from interfund services provided	\$ -	\$ 19,276,828
Cash receipts from customers	7,682,866	-
Cash received from penalties and interest on delinquent taxes	1,130,739	-
Cash payments to suppliers for goods and services	(1,917,924)	(14,354,635)
Cash payments for self-funded insurance claims	-	(2,292,141)
Cash payments to employees for services	(98,852)	(2,347,110)
Purchase of delinquent tax rolls	(6,589,690)	-
Net cash provided by (used for) operating activities	207,139	282,942
Cash flows from noncapital financing activities		
Transfers out to other funds	(150,000)	(863,020)
Net cash provided by (used for) noncapital financing activities	(150,000)	(863,020)
Cash flows from capital and related financing activities		
Acquisition of capital assets	-	(3,100,592)
Proceeds from sale of equipment	-	41,556
Net cash provided by (used for) capital and related financing activities	-	(3,059,036)
Cash flows from investing activities		
Purchase of investments	-	(9,053,483)
Interest on investments	261,179	1,460,604
Proceeds from sale of investments	-	9,271,033
Net cash provided by (used for) investing activities	261,179	1,678,154
Net increase (decrease) in cash and pooled investments	318,318	(1,960,960)
Cash and pooled investments, beginning of year	18,982,580	12,410,645
Cash and pooled investments, end of year	\$ 19,300,898	\$ 10,449,685

(Continued)

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

COUNTY OF OTTAWA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities

Operating income (loss)	\$ (724,692)	\$ (1,509,364)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	-	\$ 1,322,455
Change in assets and liabilities not affecting cash provided by (used for) operating activities		
(Increase) decrease in receivables	923,292	51,317
(Increase) decrease in prepaid expenses	-	(223,875)
Increase (decrease) in unpaid claims liability	-	212,544
Increase (decrease) in accounts payable	8,669	147,853
Increase (decrease) in due to other funds	-	(679,341)
Increase (decrease) in due to other governmental units	<u>(130)</u>	<u>961,353</u>

Net cash provided by (used for) operating activities

<u>\$ 207,139</u>	<u>\$ 282,942</u>
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Noncash investing activities

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

(Concluded)

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

COUNTY OF OTTAWA

FIDUCIARY FUNDS STATEMENT OF NET POSITION/BALANCE SHEET

DECEMBER 31, 2014
(with comparative totals at December 31, 2013)

	Other Post Employment Benefit Plan		Agency Funds	
	2014	2013	2014	2013
Assets				
Cash and pooled investments	\$ 6,237	\$ 4,333	\$ 3,144,305	\$ 3,821,684
U.S. Government agencies	300,632	404,026	-	-
Corporate bonds	864,387	644,035	-	-
Money market mutual funds	313,192	237,143	-	-
Fixed income	181,871	187,583	-	-
Domestic equity	2,815,191	2,905,959	-	-
International equity	339,615	112,245	-	-
Receivables				
Accounts	-	-	220,956	152,796
Due from other governmental units	-	-	66,429	62,439
Total assets	\$ 4,821,125	\$ 4,495,324	\$ 3,431,690	\$ 4,036,919
Liabilities				
Due to other governmental units				
Due to State of Michigan	-	-	1,338,501	1,217,234
Fines and fees due to local libraries	-	-	591,747	462,962
Agency deposits	-	-	1,501,442	2,356,723
Total liabilities	-	-	\$ 3,431,690	\$ 4,036,919
Net position held in trust for other post-employment benefits	\$ 4,821,124	\$ 4,495,324		

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

COUNTY OF OTTAWA

OTHER POST EMPLOYMENT BENEFITS PLAN STATEMENT OF CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Additions		
Contributions		
Employer	\$ 229,578	\$ 202,931
Plan member	407,350	406,849
Investment income (loss)	<u>257,488</u>	<u>623,956</u>
Total additions	894,416	1,233,736
Deductions		
Administrative expense	52,508	49,225
Premiums	<u>516,108</u>	<u>515,175</u>
Total deductions	<u>568,616</u>	<u>564,400</u>
Total net increase (decrease)	325,800	669,336
Net position, beginning of year	<u>4,495,324</u>	<u>3,825,988</u>
Net position, end of year	<u>\$ 4,821,124</u>	<u>\$ 4,495,324</u>

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

COUNTY OF OTTAWA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2014

	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	Total
Assets						
Current assets						
Cash and pooled investments	\$ 4,089,527	\$ 7,809,807	\$ 6,650,629	\$ 65,286	\$ 3,082,619	\$ 21,697,868
Receivables (net of allowance for estimated uncollectibles)						
Accounts	173,522	-	2,187,215	-	-	2,360,737
Due from other governments	5,666,541	173,689	-	-	1,393,344	7,233,574
Inventory of supplies	1,035,590	-	21,549	-	-	1,057,139
Prepaid items	217,834	198,685	-	-	-	416,519
Total current assets	11,183,014	8,182,181	8,859,393	65,286	4,475,963	32,765,837
Noncurrent assets						
Net pension asset	529,000	-	-	-	-	529,000
Due from other governments	375,000	-	102,958,900	-	3,761,907	107,095,807
Capital assets not being depreciated	4,137,999	-	-	-	-	4,137,999
Capital assets being depreciated, net	183,223,803	5,511,822	-	-	27,639,209	216,374,834
Total noncurrent assets	188,265,802	5,511,822	102,958,900	-	31,401,116	328,137,640
Total assets	\$ 199,448,816	\$ 13,694,003	\$ 111,818,293	\$ 65,286	\$ 35,877,079	\$ 360,903,477
Liabilities						
Current liabilities						
Accounts payable	3,147,493	59,742	1,957,900	-	522,255	5,687,390
Interest payable	-	-	1,258,571	-	15,148	1,273,719
Due to other governments	-	-	168,733	-	-	168,733
Notes payable	-	-	-	-	404,000	404,000
Current portion of long-term debt	223,015	-	5,393,000	-	445,766	6,061,781
Advances from primary government	-	-	150,000	-	175,000	325,000
Advances from other governments	638,364	-	-	-	-	638,364
Total current liabilities	4,008,872	59,742	8,928,204	-	1,562,169	14,558,987
Noncurrent liabilities						
Noncurrent portion of long-term obligations	2,517,442	153,709	102,351,852	-	1,558,765	106,581,768
Total liabilities	6,526,314	213,451	111,280,056	-	3,120,934	121,140,755
Net position						
Net investment in capital assets	187,361,802	5,511,822	-	-	25,230,678	218,104,302
Restricted for						
Debt service	-	-	-	-	2,889,886	2,889,886
Capital projects	4,183,502	-	-	-	2,713,345	6,896,847
State of Michigan public act restrictions	-	45,162	-	-	-	45,162
Infrastructure maintenance	-	-	448,374	-	55,321	503,695
Unrestricted	1,377,198	7,923,568	89,863	65,286	1,866,915	11,322,830
Total net position	\$ 192,922,502	\$ 13,480,552	\$ 538,237	\$ 65,286	\$ 32,756,145	\$ 239,762,722

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

COUNTY OF OTTAWA

**COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Component units					
Ottawa County Road Commission	\$ 28,747,481	\$ 10,868,770	\$ 18,305,154	\$ 3,832,725	\$ 4,259,168
Ottawa County Central Dispatch Authority	4,729,552	13,249	4,882,701	-	166,398
Ottawa County Public Utilities	21,964,473	21,875,288	-	-	(89,185)
Ottawa County Land Bank Authority	-	-	-	-	-
Ottawa County Office of the Water Resources Commissioner	<u>2,168,508</u>	<u>-</u>	<u>-</u>	<u>7,091,906</u>	<u>4,923,398</u>
Total component units	<u>57,610,014</u>	<u>32,757,307</u>	<u>23,187,855</u>	<u>10,924,631</u>	<u>9,259,779</u>

(Continued)

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

COUNTY OF OTTAWA

**COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2014

	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	
Changes in net position						
Net (expense) revenue	\$ 4,259,168	\$ 166,398	\$ (89,185)	\$ -	\$ 4,923,398	\$ 9,259,779
General revenues						
Investment earnings	14,646	51,970	3,097	-	17,409	87,122
Miscellaneous	126,803	-	-	-	-	126,803
Total general revenues	141,449	51,970	3,097	-	17,409	213,925
Change in net position	4,400,617	218,368	(86,088)	-	4,940,807	9,473,704
Net position, beginning of year	188,521,885	13,262,184	624,325	65,286	27,815,338	230,289,018
Net position, end of year	\$ 192,922,502	\$ 13,480,552	\$ 538,237	\$ 65,286	\$ 32,756,145	\$ 239,762,722

(Concluded)

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

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

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 276,292 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:

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, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting entity (continued)

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. Road Commission property taxes are levied under the taxing authority of the County, as approved by the County electors, and are 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 7392
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.

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

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

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting entity (continued)

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

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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting entity (continued)

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 2014.

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 12.16% and 38.52%, 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 1.95% and 0.01%, respectively, of the related fund type totals) have been included in the accompanying 2014 financial statements using their fiscal year ended September 30, 2014.

The remaining funds have been included in the accompanying financial statements using their fiscal year ended December 31, 2014.

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.

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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and fund financial statements (continued)

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.

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

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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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

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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

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.

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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 any time, similar to a demand deposit account. The 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".

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

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)*

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 \$197,506 has been established. For the jail and inmate housing receivable and various other receivables an allowance of \$708,714 has been established.

Due from other governments due after one year consist of the long-term portion of loans made to local units. During 2014, 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.

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, 2014, the gross amount of these outstanding loans reported in governmental funds was \$193,208. 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 \$8,956,757 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 \$371,888 is restricted for statutory Public Improvement.

A portion of the fund balance of the general fund is restricted for the purposes of grants, donations, and other items. At December 31 2014 this amounted to \$1,690,368.

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 \$4,487,970 is restricted.

The fund balance of the Other Governmental Grants (Special Revenue Fund 2180) in the amount of \$31,552 is restricted to the purposes of the grants.

The fund balance of the Mental Health Fund (Special revenue fund 2220) in the amount of \$218,030 is restricted.

The fund balance of the Homestead property tax fund (Special Revenue Fund 2550) in the amount of \$8,819 is restricted for administration of the program Under Act 105, Public Acts of 2003.

The fund balance of the ROD Technology Fund (Special Revenue Fund 2560) in the amount of \$608,718 is restricted for technology upgrades under Act 698, Public Acts of 2002.

The fund balance of the Sheriff Grants & Contracts (Special Revenue Fund 2630) in the amount of \$5,681 is restricted for the purposes of the grants.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

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 Michigan Works (Special Revenue Fund 2745) in the amount of \$15,684 is non-spendable and \$106,885 is restricted for the purposes of the grants.

The fund balance of the Community Action Agency (Special Revenue Fund 2746) in the amount of \$22,798 is non-spendable and \$107,302 is restricted for the purposes of the grants.

The fund balance of the Qualified Energy Conservation Bonds (Capital Projects Fund 4010) in the amount of \$10,015 is non-spendable and \$459,463 is restricted for the purposes of the grant.

The fund balance of the Capital improvement fund (Capital improvement fund 4020) consists primarily of a transfer from the public improvement sub-fund. Under Act 136, Public Acts of 1956 (Sections 141.261-141.263, Compiled Laws of 1979), these funds in the amount of \$3,531,899 is restricted for statutory Public Improvement.

\$5,770 of fund balance in the Cemetery Trust is non-spendable and \$90 is restricted for the perpetual care of certain cemetery lots.

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 \$4,183,502 for primary and local road construction and maintenance. The Water Resources Commissioner has restricted \$2,889,886 for debt service, \$2,713,345 for capital projects and \$55,312 for general drain maintenance. The Ottawa County Central Dispatch has restricted \$45,162 for training. Lastly, Ottawa County Public Utilities has restricted \$448,374 for operations and maintenance.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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 exists. 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, 2014 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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 \$178,828 at December 31, 2014 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, 2014 is \$178,449 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, 2014 to reflect the change in the accumulated balance to \$2,642,849.

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

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. *Compensated absences (continued)*

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.

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 \$57,335 and Authority match was \$13,766 for the current year. The County employee contributions for 2014 were \$1,935,920 and the County match was \$295,974.

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, 2014

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 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Fund equity (continued)

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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Fund equity (continued)

Details on the County's fund balance amounts follow:

	General Fund	Parks and Recreation Fund	Mental Health Fund	Other Governmental Funds
Nonspendable:				
Inventory and prepaid expenditures	\$124,441	\$16,701	\$210,324	\$276,426
Perpetual cemetery care- corpus portion				5,770
Long-term advances to other funds and component units	325,000			
Infrastructure loans	193,208			
Total Nonspendable	\$642,649	\$16,701	\$210,324	\$282,196
Restricted:				
Jail booking fees	\$338,121			
Marriage counseling	58,250			
Donations	134,010			
Grant restrictions	66,108			
Stabilization	8,956,757			
Substance abuse	1,093,879			
Veterans affairs				\$31,552
Classroom fees				5,681
Cemetery trust				90
Parks & recreation levy		\$4,471,269		
Mental health			\$7,706	
Capital Projects				3,991,362
Public improvement - State restrictions	371,888			
Homestead property tax - State restrictions				8,819
Register of deeds technology - State restrictions				608,718
Michigan Works!/Community Action				
Agency - program income				214,187
Total Restricted	\$11,019,013	\$4,471,269	\$7,706	\$4,860,409
Committed:				
Aerial survey	\$703,081			
Voting machines	154,053			
Substance abuse	799,480			
Building improvements	3,268,449			
Red pine timber sales	200,409			
Mental health programs	581,275			
Technology improvements	159,673			
New Initiatives	1,000,000			
Solid waste clean-up	4,130,412			
Infrastructure	1,489,352			
DB/DC conversion	4,116,040			
Farmland preservation				\$94
Brownfield redevelopment				321
Total Committed	\$16,602,224			\$415

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

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	Mental Health Fund	Other Governmental Funds
Assigned:				
Succeeding year's budget budget deficit	\$995,341			
Water quality forum	1,139			
Hope College bond issue reimbursement-admin fees	16,856			
Planning commission	151,888			
Other post-employment benefits	99,908			
4 C program	120,086			
Energy Rebates	329,212			
Public health				\$360,103
Landfill tipping fees				1,125,431
Community corrections	106,696			
Dept of Human Services				30,583
Child Care - Circuit Court				954,765
Total Assigned	\$1,821,126			\$2,470,882

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, 2014

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.

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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary information (continued)

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

During the year ended the County incurred no expenditures in budgetary funds which were in excess of the amounts appropriated.

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	\$18,603	\$260	\$18,863
Carrying amount of checking and savings accounts	9,197,851	14,756,551	23,954,402
Carrying amount of certificates of deposit	36,560,594		36,560,594
Carrying amount of investments	40,921,449	6,941,057	47,862,506
Carrying amount of investments - Ottawa County Other Post Employment Benefit Plan	4,814,888		4,814,888
Carrying amount of investments - Ottawa County Insurance Authority	33,355,766		33,355,766
Total	\$124,869,151	\$21,697,868	\$146,567,019
Statement of net position			
Cash and pooled investments	\$83,547,955	\$21,697,868	\$105,245,823
Investments	33,355,766		33,355,766
Statement of fiduciary net position			
Cash and pooled investments	3,150,542		3,150,542
Investments	4,814,888		4,814,888
Total	\$124,869,151	\$21,697,868	\$146,567,019

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (*continued*)

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 January of 2014, allows for all of these types of investments.

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

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

The County chooses to disclose its investments by Weighted Average Maturity. As of December 31, 2014, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
Money Market Fund (MMF)	\$3,825,321	N/A
Municipal Bonds	8,342,682	1.8733
Agency - FFCB	4,075,646	2.9822
Agency - FNMA	4,917,326	5.1417
Agency - FHLB	2,630,500	6.4238
Agency - FHLMC	999,576	3.2425
Treasury Note	16,130,398	3.9434
	<u>\$40,921,449</u>	
Portfolio Weighted Average Maturity (excluding MMF)		3.9045

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

	<u>Ottawa County Public Utilities System</u>	<u>Ottawa County Office of the Water Resources Commissioner</u>	<u>Ottawa County Land Bank Authority</u>	<u>Ottawa County Road Commission</u>
Checking/Deposit	\$6,650,629		\$65,286	\$4,089,527
Savings		\$99,643		
Ottawa County Investment Pool				
Investments		2,982,976		
	<u>\$6,650,629</u>	<u>\$3,082,619</u>	<u>\$65,286</u>	<u>\$4,089,527</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

The Ottawa County Central Dispatch Authority, also a discretely presented component unit, includes \$3,851,466 in checking/deposit accounts, \$260 in petty cash and \$3,958,081 in investments. The Authority chooses to disclose its investments by specifically identifying them:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Rate</u>	<u>Rating</u>	<u>Source</u>
Money Markets	n/a	\$60,957		AAAm	S&P
FNMA	3/25/2039	437,958	2.50%	unrated	
FNMA	6/25/2039	400,433	2.00%	unrated	
FHLMC	7/15/2031	446,163	3.00%	unrated	
FHLMC	1/15/2036	962,570	2.75%	unrated	
Michigan Fin. Authority	12/1/2032	1,150,000	0.20%	A-2	S&P
Kent Hospital Fin. Authority	10/1/2041	500,000	0.19%	A-2	S&P
		<u>\$3,958,081</u>			

In addition, as of December 31, 2014 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	\$300,632	\$25,559	\$78,406	\$49,824	\$146,843
Corporate bonds	864,387	46,028	766,105		\$52,254
	<u>1,165,019</u>	<u>\$71,587</u>	<u>\$844,511</u>	<u>\$49,824</u>	<u>\$199,097</u>
Mutual Funds:					
Money Market	313,192				
Fixed Income	181,871				
Domestic Equity	2,815,191				
International Equity	339,615				
Total investments held by the OPEB Plan	<u><u>\$4,814,888</u></u>				

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

As of December 31, 2014, the Ottawa County Insurance Authority had the following investments and maturities in debt securities (none of which are callable):

	Cost	Fair Value	Investment Maturities (fair value by years)			
			Less Than 1	1-5	6-10	Over 10
Money market funds	\$1,080,263	\$1,080,263				
U.S. Treasuries	5,840,211	\$5,763,806	\$ 2,723,851	\$2,938,103	\$101,852	
U.S. Agencies:						
Mortgage-backed	607,970	607,128	-	607,128	-	
Corporate bonds	5,893,913	5,946,405	251,583	2,329,254	3,365,568	39,231
	\$13,422,357	\$13,397,602	\$2,975,434	\$5,874,485	\$3,467,420	\$39,231
Equities:						
Common Stock	6,768,343	9,231,777				
Mutual Funds:						
Domestic Equity	1,655,117	3,491,442				
International Equity	2,286,252	3,150,588				
Total investments held by the Authority	\$24,132,069	\$29,271,409				

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, 2014 and 2013, are as summarized:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

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>2014</u>	<u>2013</u>
U.S. Treasury Notes	08/15/16	4.875%	\$485,000	\$518,969	\$538,843
U.S. Treasury Notes	08/31/18	1.500%	550,000	552,621	-
U.S. Treasury Notes	09/30/15	1.250%	550,000	554,232	558,959
U.S. Treasury Notes	11/30/14	2.125%	550,000	0	559,754
U.S. Treasury Notes	10/31/15	1.250%	435,000	438,568	442,222
U.S. Treasury Notes	08/31/17	1.875%	435,000	444,991	446,555
U.S. Treasury Notes	05/31/18	2.375%	440,000	456,087	456,603
U.S. Treasury Notes	08/15/20	2.625%	445,000	464,608	453,622
U.S. Treasury Notes	02/15/19	2.750%	440,000	462,791	460,866
U.S. Treasury Notes	09/30/16	3.000%	435,000	453,182	462,323
U.S. Treasury Notes	05/15/21	3.125%	445,000	477,402	463,286
U.S. Treasury Notes	11/15/21	2.000%	340,000	341,169	324,062
				<u>\$5,164,620</u>	<u>\$5,167,095</u>

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 credit worthiness 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, 2014, \$38,507,681 of the County’s bank balance (including certificates of deposit) of \$43,560,152 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 \$19,499 at December 31, 2014 was FDIC insured. For the Ottawa County Office of the Water Resources Commissioner, the \$99,643 in deposits at December 31, 2014 was FDIC insured. For the Ottawa County Central Dispatch Authority, \$3,114,630 of the \$3,863,325 bank balance at December 31, 2014 was exposed to custodial credit risk.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

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, 2014, the County's \$36,875,000 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 \$3,958,081 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 \$ 0 because the assets of the Other Post Employment Benefit Plan (OPEB Plan) held and managed by Greenleaf Trust on behalf of the County of Ottawa are held in third-party safekeeping in the name of Greenleaf Trust, acting as custodian and agent of the County of Ottawa and the trustee(s) of the OPEB Plan trust. Mutual funds, other than the money market fund, held in the OPEB Plan trust are SEC-registered investment companies; shares of mutual funds are held in third-party safekeeping by Greenleaf Trust, through Matrix Settlement and Clearance Services, in the County's name. The money market fund held in the OPEB Plan trust is also an SEC-registered investment company; shares of such fund are held in third-party safekeeping by Greenleaf Trust, through Northern Trust and the custodian of the mutual fund, in the County's name.

The Ottawa County Insurance Authority's short-term investments in money market funds amounting to \$1,080,263 at December 31, 2014 are not subject to custodial risk categorization. At December 31, 2014, 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, 2014

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 (\$181,871) 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-	\$394,145
A+ to A-	478,726
BBB+ to BBB-	148,864
Not rated	143,284
	<u>\$1,165,019</u>

As of December 31, 2014, the Insurance Authority's investments in U.S. Treasuries and Agencies were rated AAA by Moody's. Asset-backed securities totaling \$322,846 were rated AAA and asset-backed securities totaling \$284,282 were not rated. The Authority's investments in corporate bonds were rated by Moody's as follows:

Rating	Fair Value
AAA	\$59,657
AA3	314,599
AA2	234,794
AA1	92,340
A3	666,416
A2	1,026,921
A1	636,213
BAA3	462,192
BAA2	1,550,950
BAA1	902,323
	<u>\$5,946,405</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 one issuer. Certificates of deposit have a 50% maximum with concentration limits set at 5% of the issuer's net worth.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (*continued*)

At December 31, 2014, the County's investment portfolio was comprised of the following: Certificates of Deposit (44.3%), Treasury Notes (19.8%), FFCB (5.0%), FHLB (3.2%), FNMA (6.1%), FHLMC (1.2%) and Municipal Bonds (10.2%). All investments are in compliance with County's investment policy at December 31, 2014.

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 \$339,615 and \$3,150,588 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, 2014

II. 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	\$4,286,251	\$3,085,998	
Delinquent Property Taxes	191,367		
Unavailable receivables	2,006,047		\$48,553
Total	<u>\$6,483,665</u>	<u>\$3,085,998</u>	<u>\$48,553</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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital assets

Capital asset activity for the year ended December 31, 2014 was as follows:

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	\$48,909,708	\$11,876		\$48,921,584
Construction in progress				
Total capital assets, not being depreciated	<u>48,909,708</u>	<u>11,876</u>		<u>48,921,584</u>
Capital assets, being depreciated:				
Land improvements	20,998,056	2,305,796	(11,648)	23,292,204
Buildings	95,211,699	2,830,652	(15,670)	98,026,681
Machinery and equipment	27,417,252	3,144,798	(1,338,179)	29,223,871
Total assets, being depreciated	<u>143,627,007</u>	<u>8,281,246</u>	<u>(1,365,497)</u>	<u>150,542,756</u>
Less accumulated depreciation for:				
Land improvements	(9,687,245)	(907,209)	11,648	(10,582,806)
Buildings	(30,754,246)	(3,134,882)	9,990	(33,879,138)
Machinery and equipment	(21,466,628)	(2,006,658)	1,292,705	(22,180,581)
Total accumulated depreciation	<u>(61,908,119)</u>	<u>(6,048,749)</u>	<u>1,314,343</u>	<u>(66,642,525)</u>
Net capital assets, being depreciated	<u>81,718,888</u>	<u>2,232,497</u>	<u>(51,154)</u>	<u>83,900,231</u>
Net governmental activities capital assets	<u>\$130,628,596</u>	<u>\$2,244,373</u>	<u>(\$51,154)</u>	<u>\$132,821,815</u>

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

Governmental activities:	
Judicial	\$6,381
General government	3,298,206
Public safety	285,055
Public works	151,816
Health and Welfare	147,348
Culture and recreation	837,488
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the net position	1,322,455
Total depreciation expense - governmental activities	<u>\$6,048,749</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

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	\$1,969,335		\$3,336,517
Construction in progress	494,185	801,482	(\$494,185)	801,482
Total capital assets, not being depreciated	<u>1,861,367</u>	<u>2,770,817</u>	<u>(494,185)</u>	<u>4,137,999</u>
Capital assets, being depreciated:				
Buildings	14,964,691			14,964,691
Machinery and equipment	28,136,831	1,407,791	(2,400,985)	27,143,637
Infrastructure	339,570,085	14,468,689		354,038,774
Total assets, being depreciated	<u>382,671,607</u>	<u>15,876,480</u>	<u>(2,400,985)</u>	<u>396,147,102</u>
Less accumulated depreciation for:				
Buildings	(3,787,324)	(251,045)		(4,038,369)
Machinery and equipment	(23,509,658)	(1,898,792)	2,386,052	(23,022,398)
Infrastructure	(141,856,853)	(10,854,648)		(152,711,501)
Total accumulated depreciation	<u>(169,153,835)</u>	<u>(13,004,485)</u>	<u>2,386,052</u>	<u>(179,772,268)</u>
Net capital assets, being depreciated	<u>213,517,772</u>	<u>2,871,995</u>	<u>(14,933)</u>	<u>216,374,834</u>
Net component unit capital assets	<u>\$215,379,139</u>	<u>\$5,642,812</u>	<u>(\$509,118)</u>	<u>\$220,512,833</u>

Commitments

The Ottawa County Road Commission had construction and contract commitments of approximately \$4.2 million at year-end. The Ottawa County Office of the Water Resources Commissioner had outstanding construction commitments of approximately \$4.7 million. Approximately \$1.7 of the costs is funded by grants.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2014, 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:		
Mental Health	\$1,041,840	\$560,005
Internal Service Funds	4,091,350	5,133,190
	<u>5,133,190</u>	<u>5,693,195</u>
September 30 due from paid before December 31 year end	560,005	
	<u>\$5,693,195</u>	<u>\$5,693,195</u>

Interfund balances primarily reflect the interest on investments that was allocated from the General Fund. However, included in the Internal Service funds is \$4,091,350 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.

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.

General Fund	\$4,408,218	
Non-major Governmental Funds		\$1,505,032
December 31 due to established after September 30 year-end		3,844,955
September 30 due to paid before December 31 year-end		(941,769)
Total	<u>\$ 4,408,218</u>	<u>\$ 4,408,218</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

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	\$325,000	\$325,000

Interfund transfers within the Primary Government

	Transfer In:		
	Mental Health	Nonmajor Governmental funds	Total
Transfer out:			
Major Funds:			
General fund	\$563,108	\$11,957,809	\$12,520,917
Delinquent Tax Revolving		150,000	150,000
Internal Service funds		300,000	300,000
	\$563,108	\$12,407,809	\$12,970,917

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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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, 2014 amounted to \$306,538. Future minimum lease payments for these leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2015	\$197,733
2016	100,816
2017	78,694
2018	24,548
	<u>\$401,791</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 \$7,865,456 leaving a carrying value of \$9,614,438.

Lease revenue for the year ending December 31, 2014 was \$1,265,794. Future lease revenues for these leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2015	\$575,976
2016	564,798
2017	569,249
2018	576,895
2019	548,170
2020-2023	2,180,737
	<u>\$5,015,825</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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 \$61,535,000.

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%	\$46,955,000	\$91,434,501	\$446,133	\$138,835,634
Governmental activities - refunding	.95 - 4.375%	3,325,000	14,640,000		17,965,000
		<u>\$50,280,000</u>	<u>\$106,074,501</u>	<u>\$446,133</u>	<u>\$156,800,634</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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-term debt (continued)

Year Ending December 31	Governmental Activities			
	Primary Government		Component Units	
	Principal	Interest	Principal	Interest
2015	\$2,475,000	\$1,611,447	\$5,423,767	\$4,747,762
2016	3,605,000	1,608,968	5,633,767	4,554,606
2017	3,810,000	1,492,473	5,890,767	4,355,159
2018	2,930,000	1,362,478	5,515,766	4,144,875
2019	3,250,000	1,284,134	5,465,212	3,931,949
2020-2024	20,830,000	4,635,182	24,579,387	16,606,192
2025-2029	13,380,000	1,155,328	25,921,968	10,703,141
2030-2034			21,120,000	4,100,621
2035-2039			5,680,000	951,991
2040			1,290,000	28,219
	<u>\$50,280,000</u>	<u>\$13,150,010</u>	<u>\$106,520,634</u>	<u>\$54,124,515</u>

Changes in Long-Term Liabilities. Long-term liability activity for the year ended December 31, 2014 was as follows:

Primary Government

	Beginning of Year	Additions	Reductions	End of Year	Due within One Year
Governmental activities:					
General obligation bonds	\$23,135,000	\$29,285,000	\$2,140,000	\$50,280,000	\$2,475,000
Landfill reclamation	3,280,502	\$279,898		3,560,400	335,475
Compensated absences	2,797,671	331,496	307,868	2,821,299	2,642,849
Total	<u>\$29,213,173</u>	<u>\$29,896,394</u>	<u>\$2,447,868</u>	<u>\$56,661,699</u>	<u>\$5,453,324</u>

The reporting entity's legal debt margin at December 31, 2014 is \$939,006,691.

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, 2014

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	\$113,625,958	\$101,441	\$7,206,767	\$106,520,632	\$5,423,766
Notes payable	2,034,000	627,000	1,102,600	1,558,400	415,000
Claims payable	61,365	457,922	63,531	455,756	-
Compensated absences	1,422,854	352,213	310,449	1,464,618	223,015
Other Post Employment Benefits	910,934	62,858	-	973,792	-
Total	\$118,055,111	\$1,601,434	\$8,683,347	\$110,973,198	\$6,061,781

The Ottawa County Office of the Water Resources Commissioner (component unit) also had the following short term-note activity during 2014:

Discretely Presented Component Units

	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%	\$150,000	\$404,000	\$150,000	\$404,000	\$404,000

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, 2014 \$7,940,000 was still outstanding.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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:

<u>Year Ending</u>	<u>Present Value of Estimated Cost</u>
2015	\$335,475
2016	470,412
2017	337,902
2018	307,431
2019	315,907
2020-2024	1,793,273
	<u><u>\$3,560,400</u></u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

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 8.27% to 35.44% 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.

Ottawa County Road Commission:

The Road Commission is required to contribute at an actuarially determined rate of 17.76% to 51.78% 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

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, 2014, the County's annual pension cost of \$5,719,982 was less than the County's required contribution of \$5,754,662. 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.

Annual Pension Cost - County of Ottawa (continued)

Actuarially determined contribution	\$5,754,662
Interest on Net Pension Asset	(138,733)
Adjustment to actuarially determined contribution	104,053
Annual pension cost	<u>5,719,982</u>
Contributions made	<u>34,754,662</u>
Increase in Net Pension Asset	29,034,680
Net Pension Asset at beginning of year	1,734,157
Net Pension Asset at end of year	<u><u>\$30,768,837</u></u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Three Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
12/31/2012	5,744,981	99%	1,697,689
12/31/2013	5,746,834	101%	1,734,157
12/31/2014	5,719,982	608%	30,768,837

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, 2013, the date of the latest actuarial valuation, was 25 years.

Funding Progress: As of December 31, 2013, the date of the most recent actuarial valuation date, the plan was 79 percent funded. The actuarial accrued liability for benefits was \$224,197,096, and the actuarial value of assets was \$175,891,057, resulting in an unfunded accrued actuarial liability (UAAL) of \$48,306,039. The covered payroll (annual payroll of active employees covered by the plan) was \$40,487,096, and the ratio of the UAAL to the covered payroll was 119 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Annual Pension Cost – Ottawa County Road Commission

For the year ended September 30, 2014, the Road Commission's annual pension cost of \$1,258,482 for MERS was equal to the Road Commission's required and actual contributions. During the year the Board approved an additional contribution of \$229,000. 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 1.0% 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
9/30/2012	1,109,328	114%	150,000
9/30/2013	1,041,779	114%	300,000
9/30/2014	1,258,482	118%	529,000

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, 2013, the date of the latest actuarial valuation, was 25 years.

Funding Progress: As of December 31, 2013, 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Annual Pension Cost - Ottawa County Central Dispatch Authority

For the year ended December 31, 2014, the Dispatch Authority's annual pension expense of \$36,012 for MERS was equal to the Authority's required and actual contributions. 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 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 13% 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
12/31/2012	\$33,156	100%	\$0
12/31/2013	37,456	100%	0
12/31/2014	36,012	100%	0

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, 2013, the date of the latest actuarial valuation, was 25 years.

Funding Progress: As of December 31, 2013, the date of the most recent actuarial valuation date, the plan was 92.23 percent funded. The actuarial accrued liability for benefits was \$2,081,061, and the actuarial value of assets was \$1,919,260, resulting in an unfunded accrued actuarial liability (UAAL) of \$161,801. The covered payroll (annual payroll of active employees covered by the plan) was \$309,863, and the ratio of the UAAL to the covered payroll was 52.22 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, 2014

IV. OTHER INFORMATION (CONTINUED)

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 \$391,396 and \$418,998, respectively, for the current year.

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 \$70,341 and \$70,341, 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance

The County is self-funded for liability, worker's compensation, and unemployment insurance. The claims liabilities reported at December 31, 2014 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 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 \$5 million which is \$6 million less than the coverage from the prior year for liability protection. In addition, the Ottawa County Insurance Authority, a blended component unit, provides coverage above the \$5 million for total aggregate coverage of \$20 million. The property coverage is \$136,750,000 which is \$3,448,484 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

The changes in the claims liability for the years ended December 31, 2013 and 2014 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
2014	7,075,958	673,795	461,251	7,288,502
2013	6,997,318	444,271	365,631	7,075,958

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 \$5 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, 2013 and 2014 are as follows:

	Beginning of Year Liability	Claims and Changes in Estimates	Claim Payments	End of Year Liability
2014	\$122,501	\$309,767	\$274,101	\$158,167
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 \$51,752 and \$37,955 in 2014 and 2013, respectively.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

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.

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:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

Discretely Presented Component Units (continued):

	MCRCSIP Liability Plan	Workers' Compensation Plan	Total
Estimated liability - September 30, 2012	\$22,247	\$83,551	\$105,798
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	29,919	31,446	61,365
Estimated claims incurred including changes in estimates	489,999	53,354	543,353
Claims paid	(85,431)	(63,531)	(148,962)
Estimated liability – September 30, 2014	<u>\$434,487</u>	<u>\$21,269</u>	<u>\$455,756</u>

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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

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 874 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.

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, 2015, 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 2.8%, and medication inflation rate declining from 10% in 2013 to 4.3% in 2134 with implicit subsidy provided.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

E. Other post-employment benefits (continued)

For the current year the County's contribution was \$229,578. Current year contributions were 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	\$ 229,578
Interest on net OPEB asset	(22,931)
Adjustment to annual required contributions	<u>28,413</u>
	235,060
Contributions made by the County	229,578
Decrease in net OPEB asset	(5,482)
Net OPEB asset, beginning of year	458,615
Net OPEB asset, end of year	<u><u>\$ 453,133</u></u>

Annual OPEB Cost – County of Ottawa (continued)

Three Year Trend Information

Fiscal Year <u>End</u>	<u>Annual OPEB Cost</u>	Percentage of OPEB Cost <u>Contributed</u>	Net OPEB <u>Asset</u>
12/31/2012	\$176,240	98%	\$463,350
12/31/2013	207,666	98%	458,615
12/31/2014	235,060	98%	453,133

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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

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

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, 2014, the date of the most recent actuarial valuation date, the plan was 88.9 percent funded. The actuarial accrued liability for benefits was \$5,418,623, and the actuarial value of assets (fair value) was \$4,814,888, resulting in an unfunded accrued actuarial liability (UAAL) of \$603,735. The covered payroll (annual payroll of active employees covered by the plan) was \$40,981,474, and the ratio of the UAAL to the covered payroll was 1.5 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.

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 \$253,978 while actual contributions were \$167,732.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

E. Other post-employment benefits (continued)

Annual OPEB Cost – Ottawa County Road Commission (continued)

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.

Annual required contribution	\$253,978
Interest on net OPEB obligation	36,357
Adjustment to annual required contribution	<u>(59,745)</u>
Annual OPEB cost (expense)	230,590
Contribution made	167,732
Increase in net OPEB obligation	62,858
Net OPEB obligation, beginning of year	910,934
Net OPEB obligation, end of year	<u><u>\$973,792</u></u>

Three-Year Trend Information

Fiscal Year Ending	Annual OPEB Cost	Percentage of ARC Contributed	Net OPEB Obligation
9/30/2012	225,149	35%	807,219
9/30/2013	229,894	55%	910,934
9/30/2014	230,590	73%	973,792

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, 2014

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, 2014, the County's financial statements included taxes receivable of \$3,841,625 and unavailable revenue of \$4,286,251 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, 2014, Ottawa County provided operating grants of \$4,162,762 to OCCDA, all of which was transferred as of December 31, 2014.

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 2014, the County paid \$34,995 in assessments to the Office of the Water Resources Commissioner.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2014

IV. OTHER INFORMATION (CONTINUED)

F. Related party transactions (continued)

Assessments to the Ottawa County Road Commission totaled \$31,795. Ottawa County Public Utilities (OCPU) incurred expenses of \$650,000 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 \$168,733 for these goods and services.

G. Subsequent events

Subsequent to year end the Ottawa County Public Utilities System issued \$30,845,000 of bond to refund \$31,310,000 of bonds outstanding at December 31, 2014. During May 2015, the Ottawa County Office of the Water Resources Commissioner extended the due date of three short-term notes to June 1, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF OTTAWA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 39,194,734	\$ 39,222,921	\$ 39,185,499	\$ (37,422)	\$ 38,152,623
Intergovernmental revenues	8,120,261	8,398,278	8,745,471	347,193	7,952,614
Charges for services	9,064,208	8,901,593	8,484,073	(417,520)	8,989,106
Fines and forfeits	84,200	84,200	74,400	(9,800)	60,548
Investment earnings (loss)	168,160	168,160	380,176	212,016	(91,289)
Licenses and permits	369,000	378,420	399,935	21,515	423,144
Rental income	3,249,046	3,263,073	2,917,198	(345,875)	2,989,964
Other	609,227	679,166	747,884	68,718	636,821
Total revenues	<u>60,858,836</u>	<u>61,095,811</u>	<u>60,934,636</u>	<u>(161,175)</u>	<u>59,113,531</u>
Expenditures					
Current operations					
Legislative	438,145	453,190	443,624	9,566	395,482
Judicial	11,797,900	12,106,443	11,932,740	173,703	12,117,675
General government	12,843,417	13,247,364	12,551,632	695,732	10,706,550
Public safety	24,901,232	25,375,368	24,941,856	433,512	24,454,635
Public works	380,000	508,483	491,245	17,238	51,020
Health and welfare	1,070,256	1,161,004	681,890	479,114	695,298
Community and economic development	1,211,951	963,401	744,756	218,645	703,506
Other governmental functions	441,102	142,175	112,850	29,325	130,386
Debt service	538,719	576,656	576,505	151	250
Capital projects	-	176,089	160,489	15,600	-
Total expenditures	<u>53,622,722</u>	<u>54,710,173</u>	<u>52,637,587</u>	<u>2,072,586</u>	<u>49,254,802</u>
Revenues over (under) expenditures	<u>7,236,114</u>	<u>6,385,638</u>	<u>8,297,049</u>	<u>1,911,411</u>	<u>9,858,729</u>
Other financing sources (uses)					
Transfers from other funds	1,125,000	1,125,000	84,853	(1,040,147)	163,584
Transfers to other funds	(9,533,588)	(9,500,505)	(8,731,643)	768,862	(9,374,769)
Total other financing sources (uses)	<u>(8,408,588)</u>	<u>(8,375,505)</u>	<u>(8,646,790)</u>	<u>(271,285)</u>	<u>(9,211,185)</u>
Net change in fund balance	<u>(1,172,474)</u>	<u>(1,989,867)</u>	<u>(349,741)</u>	<u>1,640,126</u>	<u>647,544</u>
Fund balance, beginning of year	<u>20,995,416</u>	<u>20,995,416</u>	<u>20,995,416</u>	<u>-</u>	<u>20,347,872</u>
Fund balance, end of year	<u>\$ 19,822,942</u>	<u>\$ 19,005,549</u>	<u>\$ 20,645,675</u>	<u>\$ 1,640,126</u>	<u>\$ 20,995,416</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 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 principals are as follows:

	<u>Revenues and other sources</u>	<u>Expenditures and other uses</u>	<u>Net change in fund balance</u>
General fund:			
Schedule of revenues, expenditures and changes in fund balance - budget and actual	\$ 61,019,489	\$ 61,369,230	\$ (349,741)
Funds classified with the general fund for purposes of GASB Statement No. 54			
Solid Waste Clean-up (2271)	57,718	255,084	(197,366)
Infrastructure (2444)	28,407	125,000	(96,593)
Public Improvement (2450)	185,898	3,672,623	(3,486,725)
Stabilization (2570)	-	84,853	(84,853)
BD/DC Conversion (2970)	29,344,065	29,885,000	(540,935)
Compensated Absences (2980)	169,499	38,869	130,630
Eliminations	<u>(84,853)</u>	<u>(84,853)</u>	<u>-</u>
Statement of revenues, expenditures and changes in fund balance	<u>\$ 90,720,223</u>	<u>\$ 95,345,806</u>	<u>\$ (4,625,583)</u>

COUNTY OF OTTAWA

**PARKS AND RECREATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 2,980,969	\$ 2,990,969	\$ 2,991,779	\$ 810	\$ 2,941,638
Intergovernmental revenues	377,600	888,110	438,139	(449,971)	75,168
Charges for services	446,050	470,990	560,804	89,814	751,138
Investment earnings (loss)	40,850	40,850	74,825	33,975	(7,744)
Rental income	15,000	15,000	36,062	21,062	15,000
Other	6,000	26,000	664,671	638,671	100,534
Total revenues	<u>3,866,469</u>	<u>4,431,919</u>	<u>4,766,280</u>	<u>334,361</u>	<u>3,875,734</u>
Expenditures					
Current operations					
Personnel services	1,937,387	1,939,487	1,834,266	105,221	1,807,624
Supplies	277,045	282,965	236,304	46,661	174,139
Other services and charges	577,953	629,296	556,560	72,736	518,281
Capital outlay	1,316,500	4,167,587	2,315,298	1,852,289	576,753
Total expenditures	<u>4,108,885</u>	<u>7,019,335</u>	<u>4,942,428</u>	<u>2,076,907</u>	<u>3,076,797</u>
Revenues over (under) expenditures	<u>(242,416)</u>	<u>(2,587,416)</u>	<u>(176,148)</u>	<u>2,411,268</u>	<u>798,937</u>
Net change in fund balance	(242,416)	(2,587,416)	(176,148)	2,411,268	798,937
Fund balance, beginning of year	<u>4,664,118</u>	<u>4,664,118</u>	<u>4,664,118</u>	<u>-</u>	<u>3,865,181</u>
Fund balance, end of year	<u>\$ 4,421,702</u>	<u>\$ 2,076,702</u>	<u>\$ 4,487,970</u>	<u>\$ 2,411,268</u>	<u>\$ 4,664,118</u>

COUNTY OF OTTAWA

**MENTAL HEALTH (2220)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014
(with comparative totals for the year ended September 30, 2013)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	38,054,706	36,682,619	37,511,990	829,371	37,088,311
Charges for services	723,024	894,522	595,455	(299,067)	340,644
Investment earnings (loss)	46,500	-	(2,343)	(2,343)	25,275
Other	284,874	697,818	739,995	42,177	922,460
Total revenues	<u>39,109,104</u>	<u>38,274,959</u>	<u>38,845,097</u>	<u>570,138</u>	<u>38,376,690</u>
Expenditures					
Current operations					
Personnel services	13,370,519	12,815,554	12,737,817	77,737	13,028,244
Supplies	487,831	487,831	487,831	-	412,517
Other services and charges	25,755,888	25,759,751	26,264,063	(504,312)	25,574,468
Capital outlay	57,974	57,974	57,974	-	9,930
Total expenditures	<u>39,672,212</u>	<u>39,121,110</u>	<u>39,547,685</u>	<u>(426,575)</u>	<u>39,025,159</u>
Revenues over (under) expenditures	(563,108)	(846,151)	(702,588)	143,563	(648,469)
Other financing sources (uses)					
Transfers from other funds	563,108	563,108	563,108	-	593,057
Net change in fund balance	-	(283,043)	(139,480)	143,563	(55,412)
Fund balance, beginning of year	<u>357,510</u>	<u>357,510</u>	<u>357,510</u>	<u>-</u>	<u>412,922</u>
Fund balance, end of year	<u>\$ 357,510</u>	<u>\$ 74,467</u>	<u>\$ 218,030</u>	<u>\$ 143,563</u>	<u>\$ 357,510</u>

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION DEFINED BENEFIT PENSION PLANS FOR THE YEAR ENDED DECEMBER 31, 2014

COUNTY PLAN - SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2011	\$ 160,910,020	\$ 197,600,606	\$ 36,690,586	81.43%	\$ 43,711,453	83.94%
12/31/2012	167,699,094	211,500,142	43,801,048	79.29%	42,108,218	104.02%
12/31/2013	175,891,057	224,197,096	48,306,039	78.45%	40,487,096	119.31%

COUNTY PLAN - SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended December 31	Annual Required Contribution	Actual Contribution	Percent Contributed
2012	\$ 5,705,285	\$ 5,705,285	100%
2013	5,783,302	5,783,302	100%
2014	5,754,662	34,754,662	604%

ROAD COMMISSION PLAN - SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2010	\$ 32,668,905	\$ 44,856,588	\$ 12,187,683	72.83%	\$ 6,005,448	202.94%
12/31/2011	33,063,482	46,676,475	13,612,993	70.84%	6,147,889	221.43%
12/31/2012	32,862,264	47,825,896	14,963,632	68.71%	5,776,646	259.04%

ROAD COMMISSION PLAN - SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended September 30	Annual Required Contribution	Actual Contribution	Percent Contributed
2012	\$ 1,109,328	\$ 1,264,634	114%
2013	1,041,779	1,187,628	114%
2014	1,258,482	1,487,482	118%

COUNTY OF OTTAWA

**REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLANS
FOR THE YEAR ENDED DECEMBER 31, 2014**

OTTAWA COUNTY CENTRAL DISPATCH - SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2011	\$ 1,799,174	\$ 1,884,946	\$ 85,772	95.45%	\$ 397,578	21.57%
12/31/2012	1,860,154	1,921,340	61,186	96.82%	409,157	14.95%
12/31/2013	1,919,260	2,081,061	161,801	92.23%	309,863	52.22%

OTTAWA COUNTY CENTRAL DISPATCH - SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percent Contributed</u>
2012	\$ 33,156	\$ 33,156	100%
2013	37,476	37,476	100%
2014	36,012	36,012	100%

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION OTHER POST EMPLOYMENT BENEFIT PLANS FOR THE YEAR ENDED DECEMBER 31, 2014

COUNTY PLAN - SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2012	\$ 3,825,988	\$ 4,389,537	\$ 563,549	87.16%	\$ 44,048,199	1.28%
12/31/2013	4,490,991	4,987,215	496,224	90.05%	42,294,193	1.17%
12/31/2014	4,814,888	5,418,623	603,735	88.86%	40,981,474	1.47%

COUNTY PLAN - SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended December 31	Annual Required Contribution	Actual Contribution	Percent Contributed
2012	\$ 215,465	\$ 173,019	80%
2013	202,931	202,931	100%
2014	229,578	229,578	100%

ROAD COMMISSION PLAN - SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2008	\$ -	\$ 1,835,591	\$ 1,835,591	0.00%	\$ 8,736,861	21.01%
10/1/2011	-	1,931,708	1,931,708	0.00%	6,147,889	31.42%

ROAD COMMISSION PLAN - SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended September 30	Annual Required Contribution	Actual Contribution	Percent Contributed
2012	\$ 225,149	\$ 78,802	35%
2013	229,894	126,442	55%
2014	230,590	167,732	73%

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

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.

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.

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.

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.

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).

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.

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

SPECIAL REVENUE FUNDS (CONTINUED)

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

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).

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.

Child Care Funds (2920) - This Fund is 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.

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 issues and the associated expenditures.

Capital Projects (4020) - This Fund was established to account for the receipt of funds Under Act 136, Public Acts of 1956 (Sections 141.261-141.263, Compiled Laws of 1979), which are restricted for statutory Public Improvement.

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

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

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.

Information 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.

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.

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2014

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.

FIDUCIARY FUNDS

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.

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COUNTY OF OTTAWA
GENERAL FUND - SUBFUNDS
COMBINING BALANCE SHEET SCHEDULE
DECEMBER 31, 2014

	General Fund (1010)	Solid Waste Clean-Up (2271)	Infrastructure (2444)	Public Improvement (2450)
Assets				
Cash and pooled investments	\$ 16,381,958	\$ 4,142,633	\$ 1,489,352	\$ 371,080
Receivables (net of allowance for estimated uncollectibles)				
Taxes	4,507,254	-	-	-
Accounts	496,574	-	-	2,508
Accrued interest on investments	170,045	-	-	-
Interfund receivable	4,408,218	-	-	-
Advances to component units	325,000	-	-	-
Due from other governmental units	3,006,814	-	193,208	-
Inventory of supplies	17,445	-	-	-
Prepaid expenditures	106,996	-	-	-
Total assets	<u>\$ 29,420,304</u>	<u>\$ 4,142,633</u>	<u>\$ 1,682,560</u>	<u>\$ 373,588</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	\$ 2,211,505	\$ 12,221	\$ -	\$ -
Unearned revenue	79,502	-	-	1,700
Total liabilities	<u>2,291,007</u>	<u>12,221</u>	<u>-</u>	<u>1,700</u>
Deferred inflows of resources				
Aggregate deferred inflows	6,483,622	-	-	-
Fund balances				
Nonspendable	449,441	-	193,208	-
Restricted	1,690,368	-	-	371,888
Committed	3,433,695	4,130,412	1,489,352	-
Assigned	1,821,126	-	-	-
Unassigned	13,251,045	-	-	-
Total fund balances	<u>20,645,675</u>	<u>4,130,412</u>	<u>1,682,560</u>	<u>371,888</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,420,304</u>	<u>\$ 4,142,633</u>	<u>\$ 1,682,560</u>	<u>\$ 373,588</u>

Stabilization (2570)	DB/DC Conversion (2970)	Compensated Absences (2980)	Eliminations	Total
\$ 8,956,757	\$ 4,192,269	\$ 3,451,610	\$ -	\$ 38,985,659
-	-	-	-	4,507,254
-	27,747	-	-	526,829
-	-	-	-	170,045
-	-	-	-	4,408,218
-	-	-	-	325,000
-	-	-	-	3,200,022
-	-	-	-	17,445
-	-	-	-	106,996
<u>\$ 8,956,757</u>	<u>\$ 4,220,016</u>	<u>\$ 3,451,610</u>	<u>\$ -</u>	<u>\$ 52,247,468</u>
\$ -	\$ 103,976	\$ 18,885	\$ -	\$ 2,346,587
-	-	-	-	81,202
-	103,976	18,885	-	2,427,789
-	-	-	-	6,483,622
-	-	-	-	642,649
8,956,757	-	-	-	11,019,013
-	4,116,040	3,432,725	-	16,602,224
-	-	-	-	1,821,126
-	-	-	-	13,251,045
<u>8,956,757</u>	<u>4,116,040</u>	<u>3,432,725</u>	<u>-</u>	<u>43,336,057</u>
<u>\$ 8,956,757</u>	<u>\$ 4,220,016</u>	<u>\$ 3,451,610</u>	<u>\$ -</u>	<u>\$ 52,247,468</u>

COUNTY OF OTTAWA

**GENERAL FUND - SUBFUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund (1010)	Solid Waste Clean-Up (2271)	Infrastructure (2444)	Public Improvement (2450)
Revenues				
Taxes	\$ 39,185,499	\$ -	\$ -	\$ -
Intergovernmental revenues	8,745,471	-	-	-
Charges for services	8,484,073	-	-	-
Fines and forfeits	74,400	-	-	-
Investment earnings	380,176	57,718	28,407	2
Licenses and permits	399,935	-	-	-
Rental income	2,917,198	-	-	183,955
Other	747,884	-	-	1,941
Total revenues	<u>60,934,636</u>	<u>57,718</u>	<u>28,407</u>	<u>185,898</u>
Expenditures				
Current operations				
Legislative	443,624	-	-	-
Judicial	11,932,740	-	-	-
General government	12,551,632	-	-	8,349
Public safety	24,941,856	-	-	-
Public works	491,245	255,084	-	-
Health and welfare	681,890	-	-	-
Community and economic development	744,756	-	-	-
Culture and recreation	-	-	-	-
Other government functions	112,850	-	-	-
Debt service	576,505	-	-	-
Capital outlay	160,489	-	-	-
Total expenditures	<u>52,637,587</u>	<u>255,084</u>	<u>-</u>	<u>8,349</u>
Revenues over (under) expenditures	<u>8,297,049</u>	<u>(197,366)</u>	<u>28,407</u>	<u>177,549</u>
Other financing sources (uses)				
Issuance of bonds	-	-	-	-
Transfers from other funds	84,853	-	-	-
Transfers to other funds	(8,731,643)	-	(125,000)	(3,664,274)
Capital leases	-	-	-	-
Discount on bonds issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(8,646,790)</u>	<u>-</u>	<u>(125,000)</u>	<u>(3,664,274)</u>
Net change in fund balances	(349,741)	(197,366)	(96,593)	(3,486,725)
Fund balances, beginning of year	<u>20,995,416</u>	<u>4,327,778</u>	<u>1,779,153</u>	<u>3,858,613</u>
Fund balances, end of year	<u>\$ 20,645,675</u>	<u>\$ 4,130,412</u>	<u>\$ 1,682,560</u>	<u>\$ 371,888</u>

<u>Stabilization</u> <u>(2570)</u>	<u>DB/DC</u> <u>Conversion</u> <u>(2970)</u>	<u>Compensated</u> <u>Absences</u> <u>(2980)</u>	<u>Eliminations</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 39,185,499
-	-	-	-	8,745,471
-	-	124,241	-	8,608,314
-	-	-	-	74,400
-	59,065	45,258	-	570,626
-	-	-	-	399,935
-	-	-	-	3,101,153
-	-	-	-	749,825
-	<u>59,065</u>	<u>169,499</u>	-	<u>61,435,223</u>
-	-	-	-	443,624
-	-	-	-	11,932,740
-	29,600,000	38,869	-	42,198,850
-	-	-	-	24,941,856
-	-	-	-	746,329
-	-	-	-	681,890
-	-	-	-	744,756
-	-	-	-	-
-	139,274	-	-	252,124
-	-	-	-	576,505
-	-	-	-	160,489
-	<u>29,739,274</u>	<u>38,869</u>	-	<u>82,679,163</u>
-	<u>(29,680,209)</u>	<u>130,630</u>	-	<u>(21,243,940)</u>
-	29,285,000	-	-	29,285,000
-	-	-	(84,853)	-
(84,853)	-	-	84,853	(12,520,917)
-	-	-	-	-
-	(145,726)	-	-	(145,726)
-	-	-	-	-
<u>(84,853)</u>	<u>29,139,274</u>	-	-	<u>16,618,357</u>
(84,853)	(540,935)	130,630	-	(4,625,583)
<u>9,041,610</u>	<u>4,656,975</u>	<u>3,302,095</u>	-	<u>47,961,640</u>
<u>\$ 8,956,757</u>	<u>\$ 4,116,040</u>	<u>\$ 3,432,725</u>	<u>\$ -</u>	<u>\$ 43,336,057</u>

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014

	Special Revenue				
	Friend of the Court <u>(2160)</u>	Other Governmental Grants <u>(2180)</u>	Health <u>(2210)</u>	Landfill Tipping Fees <u>(2272)</u>	Farmland Preservation <u>(2340)</u>
Assets					
Cash and pooled investments	\$ 5,250	\$ -	\$ 191,633	\$ 1,103,148	\$ 94
Receivables (net of allowance for estimated uncollectibles)					
Accounts	-	-	132,526	40,659	-
Accrued interest on investments	-	-	-	-	-
Due from other governmental units	892,117	463,259	527,335	-	-
Inventory of supplies	-	-	206,761	-	-
Prepaid expenditures	-	-	11,463	-	-
Total assets	<u>\$ 897,367</u>	<u>\$ 463,259</u>	<u>\$ 1,069,718</u>	<u>\$ 1,143,807</u>	<u>\$ 94</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 130,556	\$ 275,399	\$ 332,569	\$ 18,376	\$ -
Due to other governmental units	-	-	35,688	-	-
Interfund payable	766,811	126,413	-	-	-
governmental units	-	-	-	-	-
Unearned revenue	-	29,895	74,581	-	-
Total liabilities	<u>897,367</u>	<u>431,707</u>	<u>442,838</u>	<u>18,376</u>	<u>-</u>
Deferred inflows of resources					
Aggregate deferred inflows	-	-	48,553	-	-
Fund balances					
Nonspendable	-	-	218,224	-	-
Restricted	-	31,552	-	-	-
Committed	-	-	-	-	94
Assigned	-	-	360,103	1,125,431	-
Unassigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>31,552</u>	<u>578,327</u>	<u>1,125,431</u>	<u>94</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 897,367</u>	<u>\$ 463,259</u>	<u>\$ 1,069,718</u>	<u>\$ 1,143,807</u>	<u>\$ 94</u>

(continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

DECEMBER 31, 2014

	Special Revenue				
	Brownfield Redevelop- ment Authority (2430)	Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Sheriff Grants & Contracts (2630)	Michigan Works (2745)
Assets					
Cash and pooled investments	\$ -	\$ 8,819	\$ 611,925	\$ -	\$ -
Receivables (net of allowance for estimated uncollectibles)					
Accounts	-	-	-	-	12,591
Accrued interest on investments	-	-	-	-	-
Due from other governmental units	10,720	-	-	929,604	475,975
Inventory of supplies	-	-	-	-	124
Prepaid expenditures	-	-	-	-	15,560
Total assets	\$ 10,720	\$ 8,819	\$ 611,925	\$ 929,604	\$ 504,250
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 7,819	\$ -	\$ 3,207	\$ 209,538	\$ 168,426
Due to other governmental units	-	-	-	-	11,785
Interfund payable	2,580	-	-	235,979	198,291
governmental units	-	-	-	478,406	-
Unearned revenue	-	-	-	-	3,179
Total liabilities	10,399	-	3,207	923,923	381,681
Deferred inflows of resources					
Aggregate deferred inflows	-	-	-	-	-
Fund balances					
Nonspendable	-	-	-	-	15,684
Restricted	-	8,819	608,718	5,681	106,885
Committed	321	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	321	8,819	608,718	5,681	122,569
Total liabilities, deferred inflows of resources and fund balances	\$ 10,720	\$ 8,819	\$ 611,925	\$ 929,604	\$ 504,250

(continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

DECEMBER 31, 2014

	Special Revenue			Debt Service	Capital Projects
	Community Action Agency (2746)	Department of Human Services (2901)	Child Care - Circuit Court (2920)	Ottawa County Building Authority (3515-3517)	Qualified Energy Conservation Bonds (4010)
Assets					
Cash and pooled investments	\$ 8,776	\$ 33,919	\$ -	\$ -	\$ 1,186,323
Receivables (net of allowance for estimated uncollectibles)					
Accounts	6,511	-	12,476	-	-
Accrued interest on investments	-	-	-	-	3,693
Due from other governmental units	174,691	-	1,783,662	-	-
Inventory of supplies	19,648	-	-	-	-
Prepaid expenditures	3,150	-	9,705	-	10,015
Total assets	\$ 212,776	\$ 33,919	\$ 1,805,843	\$ -	\$ 1,200,031
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 81,692	\$ 3,336	\$ 644,094	\$ -	\$ 730,553
Due to other governmental units	-	-	22,321	-	-
Interfund payable governmental units	-	-	174,958	-	-
Unearned revenue	984	-	-	-	-
Total liabilities	82,676	3,336	841,373	-	730,553
Deferred inflows of resources					
Aggregate deferred inflows	-	-	-	-	-
Fund balances					
Nonspendable	22,798	-	9,705	-	10,015
Restricted	107,302	-	-	-	459,463
Committed	-	-	-	-	-
Assigned	-	30,583	954,765	-	-
Unassigned	-	-	-	-	-
Total fund balances	130,100	30,583	964,470	-	469,478
Total liabilities, deferred inflows of resources and fund balances	\$ 212,776	\$ 33,919	\$ 1,805,843	\$ -	\$ 1,200,031

(continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

DECEMBER 31, 2014

	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>	
	<u>Capital Improvement (4020)</u>	<u>Cemetery Trust (1500)</u>	<u>2014</u>	<u>2013</u>
Assets				
Cash and pooled investments	\$ 3,531,899	\$ 5,860	\$ 6,687,646	\$ 5,842,148
Receivables (net of allowance for estimated uncollectibles)				
Accounts	-	-	204,763	295,027
Accrued interest on investments	-	-	3,693	-
Due from other governmental units	-	-	5,257,363	4,499,557
Inventory of supplies	-	-	226,533	236,176
Prepaid expenditures	-	-	49,893	28,652
Total assets	<u>\$ 3,531,899</u>	<u>\$ 5,860</u>	<u>\$ 12,429,891</u>	<u>\$ 10,901,560</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 2,605,565	\$ 1,727,953
Due to other governmental units	-	-	69,794	100,467
Interfund payable	-	-	1,505,032	1,532,445
governmental units	-	-	478,406	420,856
Unearned revenue	-	-	108,639	156,199
Total liabilities	<u>-</u>	<u>-</u>	<u>4,767,436</u>	<u>3,937,920</u>
Deferred inflows of resources				
Aggregate deferred inflows	-	-	48,553	128,604
Fund balances				
Nonspendable	-	5,770	282,196	270,598
Restricted	3,531,899	90	4,860,409	3,924,566
Committed	-	-	415	897
Assigned	-	-	2,470,882	2,638,975
Unassigned	-	-	-	-
Total fund balances	<u>3,531,899</u>	<u>5,860</u>	<u>7,613,902</u>	<u>6,835,036</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,531,899</u>	<u>\$ 5,860</u>	<u>\$ 12,429,891</u>	<u>\$ 10,901,560</u>

(concluded)

COUNTY OF OTTAWA

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue				
	Friend of the Court (2160)	Other Governmental Grants (2180)	Health (2210)	Landfill Tipping Fees (2272)	Farmland Preservation (2340)
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	2,285,021	885,551	3,991,504	24,655	-
Charges for services	245,811	59,822	826,927	353,859	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	779,766	-	-
Rental income	-	-	-	-	-
Other	-	8,960	217,256	36,125	-
Total revenues	<u>2,530,832</u>	<u>954,333</u>	<u>5,815,453</u>	<u>414,639</u>	<u>-</u>
Expenditures					
Current operations					
Judicial	3,527,067	712,516	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	157,570	-	381,301	-
Health and welfare	-	76,453	8,834,236	-	-
Community and economic development	-	-	-	-	510
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>3,527,067</u>	<u>946,539</u>	<u>8,834,236</u>	<u>381,301</u>	<u>510</u>
Revenues over (under) expenditures	<u>(996,235)</u>	<u>7,794</u>	<u>(3,018,783)</u>	<u>33,338</u>	<u>(510)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	996,235	500	3,018,782	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>996,235</u>	<u>500</u>	<u>3,018,782</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	8,294	(1)	33,338	(510)
Fund balances, beginning of year	<u>-</u>	<u>23,258</u>	<u>578,328</u>	<u>1,092,093</u>	<u>604</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 31,552</u>	<u>\$ 578,327</u>	<u>\$ 1,125,431</u>	<u>\$ 94</u>

(continued)

COUNTY OF OTTAWA

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue				
	Brownfield Redevelop- ment Authority (2430)	Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Sheriff Grants & Contracts (2630)	Michigan Works (2745)
Revenues					
Taxes	\$ 560	\$ 7,564	\$ -	\$ -	\$ -
Intergovernmental revenues	67,720	-	-	6,514,125	4,504,963
Charges for services	-	-	225,602	27,950	-
Investment earnings	-	78	8,394	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	7,800	18,897
Total revenues	<u>68,280</u>	<u>7,642</u>	<u>233,996</u>	<u>6,549,875</u>	<u>4,523,860</u>
Expenditures					
Current operations					
Judicial	-	-	-	-	-
General government	-	1,422	192,920	-	-
Public safety	-	-	-	6,987,054	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	4,496,962
Community and economic development	68,252	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	6,550	24,578	-
Total expenditures	<u>68,252</u>	<u>1,422</u>	<u>199,470</u>	<u>7,011,632</u>	<u>4,496,962</u>
Revenues over (under) expenditures	<u>28</u>	<u>6,220</u>	<u>34,526</u>	<u>(461,757)</u>	<u>26,898</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	-	-	-	462,418	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>462,418</u>	<u>-</u>
Net changes in fund balances	28	6,220	34,526	661	26,898
Fund balances, beginning of year	<u>293</u>	<u>2,599</u>	<u>574,192</u>	<u>5,020</u>	<u>95,671</u>
Fund balances, end of year	<u>\$ 321</u>	<u>\$ 8,819</u>	<u>\$ 608,718</u>	<u>\$ 5,681</u>	<u>\$ 122,569</u>

(continued)

COUNTY OF OTTAWA

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue			Debt Service	Capital Projects
	Community Action Agency (2746)	Department of Human Services (2901)	Child Care - Circuit Court (2920)	Ottawa County Building Authority (3515-3517)	Qualified Energy Conservation Bonds (4010)
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	1,303,456	(28)	3,621,685	-	-
Charges for services	300	-	-	-	-
Investment earnings	-	-	-	-	15,589
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	1,821,294	-
Other	81,057	-	717,280	-	-
Total revenues	<u>1,384,813</u>	<u>(28)</u>	<u>4,338,965</u>	<u>1,821,294</u>	<u>15,589</u>
Expenditures					
Current operations					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	1,355,985	42,468	8,185,019	-	-
Community and economic development	-	-	-	-	-
Debt service	-	-	-	2,582,919	-
Capital outlay	-	-	-	-	2,708,977
Total expenditures	<u>1,355,985</u>	<u>42,468</u>	<u>8,185,019</u>	<u>2,582,919</u>	<u>2,708,977</u>
Revenues over (under) expenditures	<u>28,828</u>	<u>(42,496)</u>	<u>(3,846,054)</u>	<u>(761,625)</u>	<u>(2,693,388)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	-	44,547	3,646,053	761,625	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>44,547</u>	<u>3,646,053</u>	<u>761,625</u>	<u>-</u>
Net changes in fund balances	28,828	2,051	(200,001)	-	(2,693,388)
Fund balances, beginning of year	<u>101,272</u>	<u>28,532</u>	<u>1,164,471</u>	<u>-</u>	<u>3,162,866</u>
Fund balances, end of year	<u>\$ 130,100</u>	<u>\$ 30,583</u>	<u>\$ 964,470</u>	<u>\$ -</u>	<u>\$ 469,478</u>

(continued)

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

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>	
	<u>Capital Improvement (4020)</u>	<u>Cemetery Trust (1500)</u>	<u>2014</u>	<u>2013</u>
Revenues				
Taxes	\$ -	\$ -	\$ 8,124	\$ 8,434
Intergovernmental revenues	-	-	23,198,652	21,893,379
Charges for services	-	-	1,740,271	1,606,405
Investment earnings	54,250	23	78,334	566
Licenses and permits	-	-	779,766	769,963
Rental income	-	-	1,821,294	1,815,585
Other	-	-	1,087,375	1,167,777
Total revenues	<u>54,250</u>	<u>23</u>	<u>28,713,816</u>	<u>27,262,109</u>
Expenditures				
Current operations				
Judicial	-	-	4,239,583	3,580,721
General government	-	-	194,342	223,857
Public safety	-	-	6,987,054	6,536,169
Public works	-	-	538,871	568,875
Health and welfare	-	-	22,991,123	23,560,557
Community and economic development	-	-	68,762	1,460
Debt service	-	-	2,582,919	2,617,740
Capital outlay	-	-	2,740,105	2,293,633
Total expenditures	<u>-</u>	<u>-</u>	<u>40,342,759</u>	<u>39,383,012</u>
Revenues over (under) expenditures	<u>54,250</u>	<u>23</u>	<u>(11,628,943)</u>	<u>(12,120,903)</u>
Other financing sources (uses)				
Issuance of bonds	-	-	-	5,495,000
Transfers from other funds	3,477,649	-	12,407,809	9,506,652
Transfers to other funds	-	-	-	(49,356)
Total other financing sources (uses)	<u>3,477,649</u>	<u>-</u>	<u>12,407,809</u>	<u>14,952,296</u>
Net changes in fund balances	3,531,899	23	778,866	2,831,393
Fund balances, beginning of year	<u>-</u>	<u>5,837</u>	<u>6,835,036</u>	<u>4,003,643</u>
Fund balances, end of year	<u>\$ 3,531,899</u>	<u>\$ 5,860</u>	<u>\$ 7,613,902</u>	<u>\$ 6,835,036</u>

(concluded)

COUNTY OF OTTAWA

FRIEND OF THE COURT (2160) SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2014
(with comparative totals for the year ended September 30, 2013)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	2,416,867	2,416,867	2,285,021	(131,846)	2,073,405
Charges for services	274,625	274,625	245,811	(28,814)	257,706
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>2,691,492</u>	<u>2,691,492</u>	<u>2,530,832</u>	<u>(160,660)</u>	<u>2,331,111</u>
Expenditures					
Current operations					
Personnel services	2,792,683	2,808,782	2,805,873	2,909	2,521,316
Supplies	81,142	81,333	69,083	12,250	50,159
Other services and charges	653,673	637,383	652,111	(14,728)	648,401
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>3,527,498</u>	<u>3,527,498</u>	<u>3,527,067</u>	<u>431</u>	<u>3,219,876</u>
Revenues over (under) expenditures	<u>(836,006)</u>	<u>(836,006)</u>	<u>(996,235)</u>	<u>(160,229)</u>	<u>(888,765)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	836,006	996,235	996,235	-	888,765
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>836,006</u>	<u>996,235</u>	<u>996,235</u>	<u>-</u>	<u>888,765</u>
Net change in fund balance	-	160,229	-	(160,229)	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ 160,229</u>	<u>\$ -</u>	<u>\$ (160,229)</u>	<u>\$ -</u>

COUNTY OF OTTAWA

OTHER GOVERNMENTAL GRANTS (2180) SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2013 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	379,233	1,280,281	885,551	(394,730)	544,461
Charges for services	45,000	49,211	59,822	10,611	45,204
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	20,478	8,960	(11,518)	9,972
Total revenues	<u>424,233</u>	<u>1,349,970</u>	<u>954,333</u>	<u>(395,637)</u>	<u>599,637</u>
Expenditures					
Current operations					
Judicial					
Personnel services	206,163	377,008	350,490	26,518	265,944
Supplies	11,437	53,867	29,819	24,048	36,519
Other services and charges	23,325	740,787	332,207	408,580	58,382
Public works					
Other services and charges	157,569	157,569	157,570	(1)	196,961
Health					
Other services and charges	80,000	80,000	76,453	3,547	50,600
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>478,494</u>	<u>1,409,231</u>	<u>946,539</u>	<u>462,692</u>	<u>608,406</u>
Revenues over (under) expenditures	<u>(54,261)</u>	<u>(59,261)</u>	<u>7,794</u>	<u>67,055</u>	<u>(8,769)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	54,261	54,261	500	(53,761)	14,449
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>54,261</u>	<u>54,261</u>	<u>500</u>	<u>(53,761)</u>	<u>14,449</u>
Net change in fund balance	-	(5,000)	8,294	13,294	5,680
Fund balance, beginning of year	<u>23,258</u>	<u>23,258</u>	<u>23,258</u>	<u>-</u>	<u>17,578</u>
Fund balance, end of year	<u>\$ 23,258</u>	<u>\$ 18,258</u>	<u>\$ 31,552</u>	<u>\$ 13,294</u>	<u>\$ 23,258</u>

COUNTY OF OTTAWA

HEALTH (2210) SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2014
(with comparative totals for the year ended September 30, 2013)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2013 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	3,693,521	3,587,541	3,991,504	403,963	3,065,004
Charges for services	706,407	839,782	826,927	(12,855)	696,758
Investment earnings	-	-	-	-	-
Licenses and permits	765,155	766,850	779,766	12,916	769,963
Rental income	-	-	-	-	-
Other	206,220	345,811	217,256	(128,555)	247,543
Total revenues	<u>5,371,303</u>	<u>5,539,984</u>	<u>5,815,453</u>	<u>275,469</u>	<u>4,779,268</u>
Expenditures					
Current operations					
Personnel services	6,362,839	6,182,248	6,099,821	82,427	6,001,209
Supplies	1,114,358	1,077,399	887,349	190,050	948,512
Other services and charges	1,742,236	2,042,208	1,847,066	195,142	1,755,616
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	8,030
Total expenditures	<u>9,219,433</u>	<u>9,301,855</u>	<u>8,834,236</u>	<u>467,619</u>	<u>8,713,367</u>
Revenues over (under) expenditures	<u>(3,848,130)</u>	<u>(3,761,871)</u>	<u>(3,018,783)</u>	<u>(743,088)</u>	<u>(3,934,099)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	3,648,130	3,540,024	3,018,782	(521,242)	3,559,851
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>3,648,130</u>	<u>3,540,024</u>	<u>3,018,782</u>	<u>(521,242)</u>	<u>3,559,851</u>
Net change in fund balance	(200,000)	(221,847)	(1)	(1,264,330)	(374,248)
Fund balance, beginning of year	<u>578,328</u>	<u>578,328</u>	<u>578,328</u>	<u>-</u>	<u>952,576</u>
Fund balance, end of year	<u>\$ 378,328</u>	<u>\$ 356,481</u>	<u>\$ 578,327</u>	<u>\$(1,264,330)</u>	<u>\$ 578,328</u>

COUNTY OF OTTAWA

LANDFILL TIPPING FEES (2272) SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	28,000	28,000	24,655	(3,345)	39,473
Charges for services	340,000	340,000	353,859	13,859	316,499
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	31,650	31,650	36,125	4,475	34,967
Total revenues	<u>399,650</u>	<u>399,650</u>	<u>414,639</u>	<u>14,989</u>	<u>390,939</u>
Expenditures					
Current operations					
Personnel services	252,513	242,029	213,636	28,393	227,213
Supplies	16,628	16,628	8,314	8,314	12,829
Other services and charges	168,711	179,195	159,351	19,844	131,872
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>437,852</u>	<u>437,852</u>	<u>381,301</u>	<u>56,551</u>	<u>371,914</u>
Revenues over (under) expenditures	<u>(38,202)</u>	<u>(38,202)</u>	<u>33,338</u>	<u>71,540</u>	<u>19,025</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(38,202)	(38,202)	33,338	71,540	19,025
Fund balance, beginning of year	<u>1,092,093</u>	<u>1,092,093</u>	<u>1,092,093</u>	<u>-</u>	<u>1,073,068</u>
Fund balance, end of year	<u>\$ 1,053,891</u>	<u>\$ 1,053,891</u>	<u>\$ 1,125,431</u>	<u>\$ 71,540</u>	<u>\$ 1,092,093</u>

COUNTY OF OTTAWA

**FARMLAND PRESERVATION (2340)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	224	524	510	14	396
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>224</u>	<u>524</u>	<u>510</u>	<u>14</u>	<u>396</u>
Revenues over (under) expenditures	<u>(224)</u>	<u>(524)</u>	<u>(510)</u>	<u>14</u>	<u>(396)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(224)	(524)	(510)	14	(396)
Fund balance, beginning of year	<u>604</u>	<u>604</u>	<u>604</u>	<u>-</u>	<u>1,000</u>
Fund balance, end of year	<u>\$ 380</u>	<u>\$ 80</u>	<u>\$ 94</u>	<u>\$ 14</u>	<u>\$ 604</u>

COUNTY OF OTTAWA

**BROWNFIELD REDEVELOPMENT AUTHORITY (2430)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 514	\$ 514	\$ 560	\$ 46	\$ 486
Intergovernmental revenues	-	116,340	67,720	(48,620)	-
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>514</u>	<u>116,854</u>	<u>68,280</u>	<u>(48,574)</u>	<u>486</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	150	490	10	480	-
Other services and charges	634	116,634	68,242	48,392	1,064
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>784</u>	<u>117,124</u>	<u>68,252</u>	<u>48,872</u>	<u>1,064</u>
Revenues over (under) expenditures	<u>(270)</u>	<u>(270)</u>	<u>28</u>	<u>298</u>	<u>(578)</u>
Other financing sources (uses)					
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(270)	(270)	28	298	(578)
Fund balance, beginning of year	<u>293</u>	<u>293</u>	<u>293</u>	<u>-</u>	<u>871</u>
Fund balance, end of year	<u>\$ 23</u>	<u>\$ 23</u>	<u>\$ 321</u>	<u>\$ 298</u>	<u>\$ 293</u>

COUNTY OF OTTAWA

**HOMESTEAD PROPERTY TAX (2550)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 10,000	\$ 10,000	\$ 7,564	\$ (2,436)	\$ 7,948
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	59	59	78	19	(50)
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>10,059</u>	<u>10,059</u>	<u>7,642</u>	<u>(2,417)</u>	<u>7,898</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	400	400	-	400	399
Other services and charges	1,428	1,428	1,422	6	1,400
Debt service					
Principal retirement	-	-	-	-	3,500
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,828</u>	<u>1,828</u>	<u>1,422</u>	<u>406</u>	<u>5,299</u>
Revenues over (under) expenditures	<u>8,231</u>	<u>8,231</u>	<u>6,220</u>	<u>(2,011)</u>	<u>2,599</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	(49,356)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,356)</u>
Net change in fund balance	8,231	8,231	6,220	(2,011)	(46,757)
Fund balance, beginning of year	<u>2,599</u>	<u>2,599</u>	<u>2,599</u>	<u>-</u>	<u>49,356</u>
Fund balance, end of year	<u>\$ 10,830</u>	<u>\$ 10,830</u>	<u>\$ 8,819</u>	<u>\$ (2,011)</u>	<u>\$ 2,599</u>

COUNTY OF OTTAWA

REGISTER OF DEEDS TECHNOLOGY (2560) SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2013 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	300,000	301,500	225,602	(75,898)	279,755
Investment earnings	4,412	4,412	8,394	3,982	(561)
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>304,412</u>	<u>305,912</u>	<u>233,996</u>	<u>(71,916)</u>	<u>279,194</u>
Expenditures					
Current operations					
Personnel services	23,113	23,113	22,636	477	21,893
Supplies	28,300	35,300	31,866	3,434	19,127
Other services and charges	206,871	206,871	138,418	68,453	167,538
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>23,000</u>	<u>23,000</u>	<u>6,550</u>	<u>16,450</u>	<u>10,000</u>
Total expenditures	<u>281,284</u>	<u>288,284</u>	<u>199,470</u>	<u>88,814</u>	<u>218,558</u>
Revenues over (under) expenditures	<u>23,128</u>	<u>17,628</u>	<u>34,526</u>	<u>16,898</u>	<u>60,636</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	23,128	17,628	34,526	16,898	60,636
Fund balance, beginning of year	<u>574,192</u>	<u>574,192</u>	<u>574,192</u>	<u>-</u>	<u>513,556</u>
Fund balance, end of year	<u>\$ 597,320</u>	<u>\$ 591,820</u>	<u>\$ 608,718</u>	<u>\$ 16,898</u>	<u>\$ 574,192</u>

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	6,416,128	6,924,720	6,514,125	(410,595)	6,071,651
Charges for services	-	-	27,950	27,950	10,200
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	7,800	7,800	-	250
Total revenues	<u>6,416,128</u>	<u>6,932,520</u>	<u>6,549,875</u>	<u>(382,645)</u>	<u>6,082,101</u>
Expenditures					
Current operations					
Personnel services	5,973,898	6,336,390	6,116,106	220,284	5,668,287
Supplies	153,115	224,645	177,787	46,858	170,616
Other services and charges	822,166	902,128	693,161	208,967	666,757
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	22,170	24,578	24,578	-	30,509
Total expenditures	<u>6,971,349</u>	<u>7,487,741</u>	<u>7,011,632</u>	<u>476,109</u>	<u>6,536,169</u>
Revenues over (under) expenditures	<u>(555,221)</u>	<u>(555,221)</u>	<u>(461,757)</u>	<u>93,464</u>	<u>(454,068)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	555,221	555,221	462,418	(92,803)	457,477
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>555,221</u>	<u>555,221</u>	<u>462,418</u>	<u>(92,803)</u>	<u>457,477</u>
Net change in fund balance	-	-	661	661	3,409
Fund balance, beginning of year	<u>5,020</u>	<u>5,020</u>	<u>5,020</u>	<u>-</u>	<u>1,611</u>
Fund balance, end of year	<u>\$ 5,020</u>	<u>\$ 5,020</u>	<u>\$ 5,681</u>	<u>\$ 661</u>	<u>\$ 5,020</u>

COUNTY OF OTTAWA

**MICHIGAN WORKS (2745)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	7,447,860	12,028,661	4,504,963	(7,523,698)	5,196,564
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	61,072	140,213	18,897	(121,316)	35,095
Total revenues	<u>7,508,932</u>	<u>12,168,874</u>	<u>4,523,860</u>	<u>(7,645,014)</u>	<u>5,231,659</u>
Expenditures					
Current operations					
Personnel services	1,885,759	4,077,999	1,835,619	2,242,380	2,085,573
Supplies	109,133	161,234	47,446	113,788	86,092
Other services and charges	5,587,560	7,929,644	2,613,897	5,315,747	3,059,994
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>7,582,452</u>	<u>12,168,877</u>	<u>4,496,962</u>	<u>7,671,915</u>	<u>5,231,659</u>
Revenues over (under) expenditures	<u>(73,520)</u>	<u>(3)</u>	<u>26,898</u>	<u>26,901</u>	<u>-</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(73,520)	(3)	26,898	26,901	-
Fund balance, beginning of year	<u>95,671</u>	<u>95,671</u>	<u>95,671</u>	<u>-</u>	<u>95,671</u>
Fund balance, end of year	<u>\$ 22,151</u>	<u>\$ 95,668</u>	<u>\$ 122,569</u>	<u>\$ 26,901</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 AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	1,657,436	3,008,448	1,303,456	(1,704,992)	1,354,948
Charges for services	(283)	(283)	300	583	283
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	63,429	130,300	81,057	(49,243)	45,101
Total revenues	<u>1,720,582</u>	<u>3,138,465</u>	<u>1,384,813</u>	<u>(1,753,652)</u>	<u>1,400,332</u>
Expenditures					
Current operations					
Personnel services	517,037	1,069,053	445,626	623,427	401,411
Supplies	131,978	336,678	341,920	(5,242)	473,236
Other services and charges	1,201,732	1,732,734	568,439	1,164,295	521,697
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,850,747</u>	<u>3,138,465</u>	<u>1,355,985</u>	<u>1,782,480</u>	<u>1,396,344</u>
Revenues over (under) expenditures	<u>(130,165)</u>	<u>-</u>	<u>28,828</u>	<u>28,828</u>	<u>3,988</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(130,165)	-	28,828	28,828	3,988
Fund balance, beginning of year	<u>101,272</u>	<u>101,272</u>	<u>101,272</u>	<u>-</u>	<u>97,284</u>
Fund balance, end of year	<u>\$ (28,893)</u>	<u>\$ 101,272</u>	<u>\$ 130,100</u>	<u>\$ 28,828</u>	<u>\$ 101,272</u>

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014
(with comparative totals for the year ended September 30, 2013)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2013 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	(28)	(28)	22,129
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>(28)</u>	<u>(28)</u>	<u>22,129</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	593	593	454	139	64
Other services and charges	43,954	43,954	42,014	1,940	60,388
Debt service	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>44,547</u>	<u>44,547</u>	<u>42,468</u>	<u>2,079</u>	<u>60,452</u>
Revenues over (under) expenditures	<u>(44,547)</u>	<u>(44,547)</u>	<u>(42,496)</u>	<u>2,051</u>	<u>(38,323)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	44,547	44,547	44,547	-	43,690
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>44,547</u>	<u>44,547</u>	<u>44,547</u>	<u>-</u>	<u>43,690</u>
Net change in fund balance	-	-	2,051	2,051	5,367
Fund balance, beginning of year	<u>28,532</u>	<u>28,532</u>	<u>28,532</u>	<u>-</u>	<u>23,165</u>
Fund balance, end of year	<u>\$ 28,532</u>	<u>\$ 28,532</u>	<u>\$ 30,583</u>	<u>\$ 2,051</u>	<u>\$ 28,532</u>

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2014
(with comparative totals for the year ended September 30, 2013)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	3,840,445	3,775,789	3,621,685	(154,104)	3,525,744
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	<u>829,200</u>	<u>704,200</u>	<u>717,280</u>	<u>13,080</u>	<u>794,849</u>
Total revenues	<u>4,669,645</u>	<u>4,479,989</u>	<u>4,338,965</u>	<u>(141,024)</u>	<u>4,320,593</u>
Expenditures					
Current operations					
Personnel services	4,715,334	4,247,359	4,158,431	88,928	4,101,414
Supplies	202,559	190,059	153,211	36,848	185,481
Other services and charges	3,783,957	4,010,229	3,873,377	136,852	3,821,240
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>8,701,850</u>	<u>8,447,647</u>	<u>8,185,019</u>	<u>262,628</u>	<u>8,108,135</u>
Revenues over (under) expenditures	<u>(4,032,205)</u>	<u>(3,967,658)</u>	<u>(3,846,054)</u>	<u>121,604</u>	<u>(3,787,542)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	3,832,315	3,767,658	3,646,053	(121,605)	3,779,920
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>3,832,315</u>	<u>3,767,658</u>	<u>3,646,053</u>	<u>(121,605)</u>	<u>3,779,920</u>
Net change in fund balance	(199,890)	(200,000)	(200,001)	(1)	(7,622)
Fund balance, beginning of year	<u>1,164,471</u>	<u>1,164,471</u>	<u>1,164,471</u>	<u>-</u>	<u>1,172,093</u>
Fund balance, end of year	<u>\$ 964,581</u>	<u>\$ 964,471</u>	<u>\$ 964,470</u>	<u>\$ (1)</u>	<u>\$ 1,164,471</u>

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	1,821,644	1,821,910	1,821,294	(616)	1,815,585
Other	-	-	-	-	-
Total revenues	<u>1,821,644</u>	<u>1,821,910</u>	<u>1,821,294</u>	<u>(616)</u>	<u>1,815,585</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	1,775,000	1,775,000	1,775,000	-	1,690,000
Interest and fiscal charges	808,144	808,835	807,919	916	888,085
Capital outlay	-	-	-	-	-
Total expenditures	<u>2,583,144</u>	<u>2,583,835</u>	<u>2,582,919</u>	<u>916</u>	<u>2,578,085</u>
Revenues over (under) expenditures	<u>(761,500)</u>	<u>(761,925)</u>	<u>(761,625)</u>	<u>300</u>	<u>(762,500)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	761,500	761,925	761,625	(300)	762,500
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>761,500</u>	<u>761,925</u>	<u>761,625</u>	<u>(300)</u>	<u>762,500</u>
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF OTTAWA

QUALIFIED ENERGY CONSERVATION BOND (4010) SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2013 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	29,022	6,311	15,589	9,278	1,154
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>29,022</u>	<u>6,311</u>	<u>15,589</u>	<u>9,278</u>	<u>1,154</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	39,655
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>2,640,000</u>	<u>3,160,044</u>	<u>2,708,977</u>	<u>451,067</u>	<u>2,293,633</u>
Total expenditures	<u>2,640,000</u>	<u>3,160,044</u>	<u>2,708,977</u>	<u>451,067</u>	<u>2,333,288</u>
Revenues over (under) expenditures	<u>(2,610,978)</u>	<u>(3,153,733)</u>	<u>(2,693,388)</u>	<u>460,345</u>	<u>(2,332,134)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	5,495,000
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,495,000</u>
Net change in fund balance	(2,610,978)	(3,153,733)	(2,693,388)	460,345	3,162,866
Fund balance, beginning of year	<u>3,162,866</u>	<u>3,162,866</u>	<u>3,162,866</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 551,888</u>	<u>\$ 9,133</u>	<u>\$ 469,478</u>	<u>\$ 460,345</u>	<u>\$ 3,162,866</u>

COUNTY OF OTTAWA

CAPITAL IMPROVEMENT (4020) SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2013 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	-	-	54,250	54,250	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	-	-	54,250	54,250	-
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	-	-	-	-
Revenues over (under) expenditures	-	-	54,250	54,250	-
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	-	3,477,649	3,477,649	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	3,477,649	3,477,649	-	-
Net change in fund balance	-	3,477,649	3,531,899	54,250	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	\$ -	\$ 3,477,649	\$ 3,531,899	\$ 54,250	\$ -

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)**

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2013 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	23	23	23	-	23
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>23</u>	<u>23</u>	<u>23</u>	<u>-</u>	<u>23</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>23</u>	<u>23</u>	<u>23</u>	<u>-</u>	<u>23</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	23	23	23	-	23
Fund balance, beginning of year	<u>5,837</u>	<u>5,837</u>	<u>5,837</u>	<u>-</u>	<u>5,814</u>
Fund balance, end of year	<u>\$ 5,860</u>	<u>\$ 5,860</u>	<u>\$ 5,860</u>	<u>\$ -</u>	<u>\$ 5,837</u>

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COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2014
(with comparative totals at December 31, 2013)

	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	\$ 2,194,920	\$ 513,269	\$ 2,088,263	\$ 615,034	\$ 32,187	\$ 2,097,176
Investments	-	-	-	-	-	-
Accounts receivable	53	-	-	-	-	7,787
Accrued interest on investments	-	-	-	-	-	-
Due from other funds	-	-	-	-	4,091,350	-
Prepaid expenses	500,172	-	29,747	-	37,000	2,500
Total current assets	<u>2,695,145</u>	<u>513,269</u>	<u>2,118,010</u>	<u>615,034</u>	<u>4,160,537</u>	<u>2,107,463</u>
Noncurrent assets						
Capital assets						
Office furniture and equipment	-	-	-	6,607,165	-	-
Copy machines	-	287,751	-	-	-	-
Telephone equipment	-	-	2,278,719	-	-	-
Vehicles	-	-	-	5,256,377	-	-
Less accumulated depreciation	-	(113,608)	(1,694,500)	(7,816,848)	-	-
Net capital assets	<u>-</u>	<u>174,143</u>	<u>584,219</u>	<u>4,046,694</u>	<u>-</u>	<u>-</u>
Total assets	<u>2,695,145</u>	<u>687,412</u>	<u>2,702,229</u>	<u>4,661,728</u>	<u>4,160,537</u>	<u>2,107,463</u>
Liabilities						
Current liabilities						
Accounts payable	116,341	12,189	12,675	36,163	508,831	35,154
Interfund payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-
Total liabilities	<u>116,341</u>	<u>12,189</u>	<u>12,675</u>	<u>36,163</u>	<u>508,831</u>	<u>35,154</u>
Net position						
Invested in capital assets	-	174,143	584,219	4,046,694	-	-
Restricted for managed care risk exposure	-	-	-	-	-	-
Unrestricted	2,578,804	501,080	2,105,335	578,871	3,651,706	2,072,309
Total net position	<u>\$ 2,578,804</u>	<u>\$ 675,223</u>	<u>\$ 2,689,554</u>	<u>\$ 4,625,565</u>	<u>\$ 3,651,706</u>	<u>\$ 2,072,309</u>

(continued)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2014
(with comparative totals at December 31, 2013)

	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
					2014	2013
Assets						
Current assets						
Cash and pooled investments	\$ 562,424	\$ 204,809	\$ 1,099,763	\$ 1,041,840	\$ 10,449,685	\$ 12,410,645
Investments	-	-	33,355,766	-	33,355,766	32,259,271
Accounts receivable	-	-	-	-	7,840	275,399
Accrued interest on investments	-	-	109,841	-	109,841	118,241
Due from other funds	-	-	-	-	4,091,350	4,770,691
Prepaid expenses	-	-	95,515	-	664,934	441,059
Total current assets	562,424	204,809	34,660,885	1,041,840	48,679,416	50,275,306
Noncurrent assets						
Capital assets						
Office furniture and equipment	-	-	-	-	6,607,165	4,927,766
Copy machines	-	-	-	-	287,751	208,804
Telephone equipment	-	-	-	-	2,278,719	2,208,087
Vehicles	-	-	-	-	5,256,377	5,033,877
Less accumulated depreciation	-	-	-	-	(9,624,956)	(9,320,324)
Net capital assets	-	-	-	-	4,805,056	3,058,210
Total assets	562,424	204,809	34,660,885	1,041,840	53,484,472	53,333,516
Liabilities						
Current liabilities						
Accounts payable	25,622	8,411	7,288,502	-	8,043,888	7,808,872
Interfund payable	-	-	-	-	-	563,020
Due to other funds	-	-	4,091,350	1,041,840	5,133,190	4,770,691
Due to other governmental units	51,752	-	-	-	51,752	132,239
Total liabilities	77,374	8,411	11,379,852	1,041,840	13,228,830	13,274,822
Net position						
Invested in capital assets	-	-	-	-	4,805,056	3,058,210
Restricted for managed care risk exposure	-	-	-	-	-	2,080,354
Unrestricted	485,050	196,398	23,281,033	-	35,450,586	34,920,130
Total net position	\$ 485,050	\$ 196,398	\$ 23,281,033	\$ -	\$ 40,255,642	\$ 40,058,694

(concluded)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)

	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	\$ 3,970,864	\$ 77,495	\$ 515,393	\$ 1,029,376	\$ 192,479	\$ 11,116,042
Other revenue	-	-	-	158,151	-	-
Total operating revenues	<u>3,970,864</u>	<u>77,495</u>	<u>515,393</u>	<u>1,187,527</u>	<u>192,479</u>	<u>11,116,042</u>
Operating expenses						
Personnel services	1,729,172	12,021	130,627	34,115	164,131	189,061
Contractual services	-	-	-	-	-	-
Supplies	39,019	8,555	2,569	-	69	80
Depreciation	-	44,469	211,287	1,066,699	-	-
Building and equipment rental	193,317	-	-	-	-	-
Claims and legal	-	-	-	-	-	-
Miscellaneous	1,664,841	4,808	275,444	3,822	373,005	10,755,665
Total operating expenses	<u>3,626,349</u>	<u>69,853</u>	<u>619,927</u>	<u>1,104,636</u>	<u>537,205</u>	<u>10,944,806</u>
Operating income (loss)	<u>344,515</u>	<u>7,642</u>	<u>(104,534)</u>	<u>82,891</u>	<u>(344,726)</u>	<u>171,236</u>
Nonoperating revenues (expenses)						
Investment earnings (loss)	29,893	7,266	29,558	12,231	107,581	26,665
Net change in the fair value of investments	-	-	-	-	-	-
Gain (loss) on retirement of capital assets	-	-	(31,292)	41,556	-	-
Total nonoperating revenues (expenses)	<u>29,893</u>	<u>7,266</u>	<u>(1,734)</u>	<u>53,787</u>	<u>107,581</u>	<u>26,665</u>
Income (loss) before transfers	374,408	14,908	(106,268)	136,678	(237,145)	197,901
Transfers						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	(150,000)	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	374,408	14,908	(256,268)	136,678	(237,145)	197,901
Total net position, beginning 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>
Total net position, end of year	<u>\$ 2,578,804</u>	<u>\$ 675,223</u>	<u>\$ 2,689,554</u>	<u>\$ 4,625,565</u>	<u>\$ 3,651,706</u>	<u>\$ 2,072,309</u>

(continued)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)

	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
					2014	2013
Operating revenues						
Charges for services	\$ 267,701	\$ 129,113	\$ 1,670,960	\$ -	\$ 18,969,423	\$ 17,702,953
Other revenue	-	-	32,571	-	190,722	6,317
Total operating revenues	<u>267,701</u>	<u>129,113</u>	<u>1,703,531</u>	<u>-</u>	<u>19,160,145</u>	<u>17,709,270</u>
Operating expenses						
Personnel services	53,165	10,267	-	-	2,322,559	2,080,450
Contractual services	-	-	637,871	-	637,871	601,646
Supplies	-	-	-	-	50,292	166,083
Depreciation	-	-	-	-	1,322,455	1,014,445
Building and equipment rental	-	-	-	-	193,317	72,991
Claims and legal	-	-	673,795	2,082,295	2,756,090	444,271
Miscellaneous	260,345	48,995	-	-	13,386,925	13,517,361
Total operating expenses	<u>313,510</u>	<u>59,262</u>	<u>1,311,666</u>	<u>2,082,295</u>	<u>20,669,509</u>	<u>17,897,247</u>
Operating income (loss)	<u>(45,809)</u>	<u>69,851</u>	<u>391,865</u>	<u>(2,082,295)</u>	<u>(1,509,364)</u>	<u>(187,977)</u>
Nonoperating revenues (expenses)						
Investment earnings (loss)	7,506	2,212	548,011	1,941	772,864	647,549
Net change in the fair value of investments	-	-	1,223,184	-	1,223,184	2,938,976
Gain (loss) on retirement of capital assets	-	-	-	-	10,264	21,769
Total nonoperating revenues (expenses)	<u>7,506</u>	<u>2,212</u>	<u>1,771,195</u>	<u>1,941</u>	<u>2,006,312</u>	<u>3,608,294</u>
Income (loss) before transfers	(38,303)	72,063	2,163,060	(2,080,354)	496,948	3,420,317
Transfers						
Transfers from other funds	-	-	-	-	-	40,000
Transfers to other funds	-	-	(150,000)	-	(300,000)	(300,000)
Total transfers	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>(300,000)</u>	<u>(260,000)</u>
Change in net position	(38,303)	72,063	2,013,060	(2,080,354)	196,948	3,160,317
Total net position, beginning 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>
Total net position, end of year	<u>\$ 485,050</u>	<u>\$ 196,398</u>	<u>\$ 23,281,033</u>	<u>\$ -</u>	<u>\$ 40,255,642</u>	<u>\$ 40,058,694</u>

(concluded)

COUNTY OF OTTAWA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)**

	Innovation and Technology (6360)	Duplicating (6450)	Telecom- munications (6550)	Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Employee Benefits (6771)
Cash flow from operating activities						
Cash received from interfund services provided	\$ 3,970,832	\$ 77,495	\$ 524,529	\$ 1,187,527	\$ 192,479	\$ 11,116,042
Cash payments to suppliers for goods and services	(2,117,327)	(1,429)	(290,812)	(3,822)	(63,307)	(10,544,569)
Cash payments for self-funded insurance claims	-	-	-	-	(156,756)	(165,758)
Cash payments to employees for services	(1,729,172)	(12,021)	(130,627)	(52,076)	(164,131)	(189,061)
Net cash provided by (used for) operating activities	<u>124,333</u>	<u>64,045</u>	<u>103,090</u>	<u>1,131,629</u>	<u>(191,715)</u>	<u>216,654</u>
Cash flow from noncapital financing activities						
Transfers in from other funds	-	-	-	-	-	-
Transfers out to other funds	-	-	(150,000)	-	(563,020)	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>(563,020)</u>	<u>-</u>
Cash flow from capital and related financing activities						
Acquisition of capital assets	-	(87,827)	(278,470)	(2,734,295)	-	-
Proceeds from sale of equipment	-	-	-	41,556	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(87,827)</u>	<u>(278,470)</u>	<u>(2,692,739)</u>	<u>-</u>	<u>-</u>
Cash flow from investing activities						
Purchase of investments	-	-	-	-	-	-
Interest on investments	29,893	7,265	29,558	12,231	786,922	26,665
Proceeds from sale of investments	-	-	-	-	-	-
Net cash provided by (used for) investing activities	<u>29,893</u>	<u>7,265</u>	<u>29,558</u>	<u>12,231</u>	<u>786,922</u>	<u>26,665</u>
Net increase (decrease) in cash and pooled investments	154,226	(16,517)	(295,822)	(1,548,879)	32,187	243,319
Cash and pooled investments, beginning of year	<u>2,040,694</u>	<u>529,786</u>	<u>2,384,085</u>	<u>2,163,913</u>	<u>-</u>	<u>1,853,857</u>
Cash and pooled investments, end of year	<u>\$ 2,194,920</u>	<u>\$ 513,269</u>	<u>\$ 2,088,263</u>	<u>\$ 615,034</u>	<u>\$ 32,187</u>	<u>\$ 2,097,176</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ 344,515	\$ 7,642	\$ (104,534)	\$ 82,891	\$ (344,726)	\$ 171,236
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	-	44,469	211,287	1,066,699	-	-
Interest income	-	-	-	-	-	-
Change in assets and liabilities not affecting cash provided by (used for) operating activities						
(Increase) decrease in receivables	(32)	-	9,136	-	-	42,213
(Increase) decrease in due from other funds	-	-	-	-	-	-
(Increase) decrease in advances to other funds	-	-	-	-	-	-
(Increase) decrease in due from component units	-	-	-	-	-	-
(Increase) decrease in inventory	-	-	-	-	-	-
(Increase) decrease in prepaid expenses	(189,185)	-	(12,839)	-	(27,000)	-
Increase (decrease) in unpaid claims liability	-	-	-	-	-	-
Increase (decrease) in unearned revenue	-	-	-	-	-	-
Increase (decrease) in accounts payable	(30,965)	11,934	40	(17,961)	180,011	3,205
Increase (decrease) in due to other funds	-	-	-	-	-	-
Increase (decrease) in due to other governmental units	-	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 124,333</u>	<u>\$ 64,045</u>	<u>\$ 103,090</u>	<u>\$ 1,131,629</u>	<u>\$ (191,715)</u>	<u>\$ 216,654</u>

(continued)

COUNTY OF OTTAWA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2013)**

	Protected	Long-Term	Ottawa County,	Protected	Totals	
	Self-Funded Unemployment (6772)	Disability Insurance (6775)	Michigan Insurance Authority (6780)	Self-Funded Insurance - Mental Health (6782)	2014	2013
Cash flow from operating activities						
Cash received from interfund services provided	\$ 267,701	\$ 129,113	\$ 1,811,110	\$ -	\$ 19,276,828	\$ 17,838,185
Cash payments to suppliers for goods and services	(208,593)	(40,816)	(1,083,960)	-	(14,354,635)	(13,701,285)
Cash payments for self-funded insurance claims	(37,955)	-	(796,933)	(1,134,739)	(2,292,141)	(1,117,449)
Cash payments to employees for services	(59,755)	(10,267)	-	-	(2,347,110)	(2,077,995)
Net cash provided by (used for) operating activities	<u>(38,602)</u>	<u>78,030</u>	<u>(69,783)</u>	<u>(1,134,739)</u>	<u>282,942</u>	<u>941,456</u>
Cash flow from noncapital financing activities						
Transfers in from other funds	-	-	-	-	-	145,079
Transfers out to other funds	-	-	(150,000)	-	(863,020)	(300,000)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>(863,020)</u>	<u>(154,921)</u>
Cash flow from capital and related financing activities						
Acquisition of capital assets	-	-	-	-	(3,100,592)	(1,200,946)
Proceeds from sale of equipment	-	-	-	-	41,556	21,769
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,059,036)</u>	<u>(1,179,177)</u>
Cash flow from investing activities						
Purchase of investments	-	-	(9,053,483)	-	(9,053,483)	(23,335,186)
Interest on investments	7,506	2,212	556,411	1,941	1,460,604	685,986
Proceeds from sale of investments	-	-	9,271,033	-	9,271,033	21,693,258
Net cash provided by (used for) investing activities	<u>7,506</u>	<u>2,212</u>	<u>773,961</u>	<u>1,941</u>	<u>1,678,154</u>	<u>(955,942)</u>
Net increase (decrease) in cash and pooled investments	(31,096)	80,242	554,178	(1,132,798)	(1,960,960)	(1,348,584)
Cash and pooled investments, beginning of year	<u>593,520</u>	<u>124,567</u>	<u>545,585</u>	<u>2,174,638</u>	<u>12,410,645</u>	<u>13,759,229</u>
Cash and pooled investments, end of year	<u>\$ 562,424</u>	<u>\$ 204,809</u>	<u>\$ 1,099,763</u>	<u>\$ 1,041,840</u>	<u>\$ 10,449,685</u>	<u>\$ 12,410,645</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ (45,809)	\$ 69,851	\$ 391,865	\$ (2,082,295)	\$ (1,509,364)	\$ (187,977)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	-	-	-	-	1,322,455	1,014,445
Interest income	-	-	-	-	-	-
Change in assets and liabilities not affecting cash provided by (used for) operating activities						
(Increase) decrease in receivables	-	-	-	-	51,317	(38,120)
(Increase) decrease in due from other funds	-	-	-	-	-	-
(Increase) decrease in advances to other funds	-	-	-	-	-	-
(Increase) decrease in due from component units	-	-	-	-	-	-
(Increase) decrease in inventory	-	-	-	-	-	55,826
(Increase) decrease in prepaid expenses	-	-	5,149	-	(223,875)	(23,969)
Increase (decrease) in unpaid claims liability	-	-	212,544	-	212,544	78,640
Increase (decrease) in unearned revenue	-	-	-	-	-	-
Increase (decrease) in accounts payable	(6,590)	8,179	-	-	147,853	15,259
Increase (decrease) in due to other funds	-	-	(679,341)	-	(679,341)	69,529
Increase (decrease) in due to other governmental units	13,797	-	-	947,556	961,353	(42,177)
Net cash provided by (used for) operating activities	<u>\$ (38,602)</u>	<u>\$ 78,030</u>	<u>\$ (69,783)</u>	<u>\$ (1,134,739)</u>	<u>\$ 282,942</u>	<u>\$ 941,456</u>

Noncash investing activities

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

(concluded)

COUNTY OF OTTAWA

**AGENCY FUNDS
COMBINING BALANCE SHEET**

**DECEMBER 31, 2014
(with comparative totals at December 31, 2013)**

	Trust and Agency <u>7010</u>	Library Penal Fine <u>7210</u>	Imprest Payroll <u>7040</u>	Inland Lake Improvement <u>8725</u>	Totals	
					<u>2014</u>	<u>2013</u>
Assets						
Cash and pooled investments	\$1,573,480	\$ 591,747	\$ 777,716	\$ 201,362	\$ 3,144,305	\$ 3,821,684
Accounts receivable	220,956	-	-	-	220,956	152,796
Due from other governmental units	<u>66,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,429</u>	<u>62,439</u>
Total assets	<u>\$1,860,865</u>	<u>\$ 591,747</u>	<u>\$ 777,716</u>	<u>\$ 201,362</u>	<u>\$ 3,431,690</u>	<u>\$ 4,036,919</u>
Liabilities						
Due to other governmental units:						
Due to State of Michigan	\$1,203,300	\$ -	\$ 135,201	\$ -	\$ 1,338,501	\$ 1,217,234
Fines and fees due to local libraries	-	591,747	-	-	591,747	462,962
Agency deposits	<u>657,565</u>	<u>-</u>	<u>642,515</u>	<u>201,362</u>	<u>1,501,442</u>	<u>2,356,723</u>
Total liabilities	<u>\$1,860,865</u>	<u>\$ 591,747</u>	<u>\$ 777,716</u>	<u>\$ 201,362</u>	<u>\$ 3,431,690</u>	<u>\$ 4,036,919</u>

COUNTY OF OTTAWA

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

FOR THE YEAR ENDED DECEMBER 31, 2014

Trust and agency fund (7010)

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
Assets				
Cash and pooled investments	\$ 2,318,096	\$ 135,115,922	\$ 135,860,538	\$ 1,573,480
Accounts receivable	152,796	2,025,913	1,957,753	220,956
Due from other governmental units	<u>62,439</u>	<u>314,302</u>	<u>310,312</u>	<u>66,429</u>
Total assets	<u>\$ 2,533,331</u>	<u>\$ 137,456,137</u>	<u>\$ 138,128,603</u>	<u>\$ 1,860,865</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ 1,083,055	\$ 69,740,029	\$ 69,619,784	\$ 1,203,300
Agency deposits	<u>1,450,276</u>	<u>143,916,492</u>	<u>144,709,203</u>	<u>657,565</u>
Total liabilities	<u>\$ 2,533,331</u>	<u>\$ 213,656,521</u>	<u>\$ 214,328,987</u>	<u>\$ 1,860,865</u>

Library penal fine fund (7210)

Assets				
Cash and pooled investments	\$ 462,962	\$ 1,017,663	\$ 888,878	\$ 591,747
Total assets	<u>\$ 462,962</u>	<u>\$ 1,017,663</u>	<u>\$ 888,878</u>	<u>\$ 591,747</u>
Liabilities				
Due to other governmental units				
Fines and fees due to local libraries	\$ 462,962	\$ 1,028,153	\$ 899,368	\$ 591,747
Agency deposits	<u>-</u>	<u>878,514</u>	<u>878,514</u>	<u>-</u>
Total liabilities	<u>\$ 462,962</u>	<u>\$ 1,906,667</u>	<u>\$ 1,777,882</u>	<u>\$ 591,747</u>

Imprest payroll fund (7040)

Assets				
Cash and pooled investments	\$ 836,096	\$ 10,714,500	\$ 10,772,880	\$ 777,716
Total assets	<u>\$ 836,096</u>	<u>\$ 10,714,500</u>	<u>\$ 10,772,880</u>	<u>\$ 777,716</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ 134,179	\$ 8,146,650	\$ 8,145,628	\$ 135,201
Agency deposits	<u>701,917</u>	<u>19,176,998</u>	<u>19,236,400</u>	<u>642,515</u>
Total liabilities	<u>\$ 836,096</u>	<u>\$ 27,323,648</u>	<u>\$ 27,382,028</u>	<u>\$ 777,716</u>

(continued)

COUNTY OF OTTAWA

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

FOR THE YEAR ENDED DECEMBER 31, 2014

Inland lake improvement (8725)

Assets

Cash and pooled investments	\$ 204,530	\$ 342,102	\$ 345,270	\$ 201,362
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Total assets

\$ 204,530	\$ 342,102	\$ 345,270	\$ 201,362
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Liabilities

Agency deposits	\$ 204,530	\$ 317,119	\$ 320,287	\$ 201,362
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Total liabilities

\$ 204,530	\$ 317,119	\$ 320,287	\$ 201,362
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Total agency funds

Assets

Cash and pooled investments	\$ 3,821,684	\$ 147,190,187	\$ 147,867,566	\$ 3,144,305
Accounts receivable	152,796	2,025,913	1,957,753	220,956
Due from other governmental units	62,439	314,302	310,312	66,429

Total assets

\$ 4,036,919	\$ 149,530,402	\$ 150,135,631	\$ 3,431,690
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Liabilities

Due to other governmental units				
Due to State of Michigan	\$ 1,217,234	\$ 77,886,679	\$ 77,765,412	\$ 1,338,501
Fines and fees due to local libraries	462,962	1,028,153	899,368	591,747
Agency deposits	2,356,723	164,289,123	165,144,404	1,501,442

Total liabilities

\$ 4,036,919	\$ 243,203,955	\$ 243,809,184	\$ 3,431,690
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(concluded)

STATISTICAL SECTION

**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

	<u>Page</u>
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>	137
Revenue Capacity	
<i>These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.</i>	144
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>	148
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>	151
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>	153

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net investment in capital assets	\$112,174,398	\$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
Restricted	20,170,121	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
Unrestricted	67,896,554	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
Total Governmental Activities Net Position	\$200,241,073	\$202,276,256	\$201,095,155	\$194,736,328	\$188,256,829	\$187,997,445	\$190,869,466	\$189,321,290	\$179,429,486	\$163,419,452
Business-Type Activities										
Net investment in capital assets							\$2,025	\$3,037	\$4,049	\$5,423
Restricted	\$1,489,576	\$1,170,787	\$530,943	\$447,167	\$222,198	\$232,381				
Unrestricted	21,646,866	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
Total Business-Type Activities Net Position	\$23,136,442	\$23,749,955	\$24,009,202	\$24,023,477	\$24,271,796	\$24,727,300	\$24,562,182	\$24,406,620	\$24,236,439	\$24,343,239
Primary Government										
Net investment in capital assets	\$112,174,398	\$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
Restricted	20,170,121	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
Unrestricted	89,543,420	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
Total Primary Government Net Position	\$221,887,939	\$226,026,211	\$225,104,357	\$218,759,805	\$212,528,625	\$212,724,745	\$215,431,648	\$213,727,910	\$203,665,925	\$187,762,691

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental Activities:										
Legislative	\$441,294	\$399,151	\$459,777	\$428,578	\$476,002	\$547,466	\$548,719	\$627,625	\$520,618	\$548,532
Judicial	16,209,766	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
General government	14,509,005	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
Public safety	33,036,226	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
Public works	1,717,110	956,091	300,235	2,446,691	1,625,519	2,153,528	(739,191)	1,264,883	(1,437,838)	(508,530)
Health and welfare	66,399,041	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
Community and economic development	807,476	710,324	742,845	621,591	572,601	638,164	624,254	601,758	605,805	555,485
Culture and recreation	3,559,748	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
Interest on long-term debt	1,163,255	942,708	959,132	1,039,869	1,120,937	1,215,945	1,308,463	1,018,189	741,070	709,485
Total Governmental Activities Expenses	<u>137,842,921</u>	<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>
Business-Type Activities:										
Delinquent tax collection	2,025,379	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
Total Business-Type Activities Expenses	<u>2,025,379</u>	<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>
Total Primary Government Expenses	<u>\$139,868,300</u>	<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>
Program Revenues										
Governmental Activities:										
Charges for services:										
Judicial	\$4,131,540	\$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
General government	7,755,264	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
Public safety	7,310,998	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
Public works	378,009	337,849	363,870	389,376	349,904	344,926	405,175	403,922	446,501	441,146
Health and welfare	2,994,799	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
Community and economic development	52,968	35,830	2,873	22,095	18,552	441	10,901	10,605	23,770	20,997
Culture and recreation	600,025	788,511	460,470	470,163	474,325	522,197	522,973	560,488	289,658	301,842
Interest on long-term debt	1,821,294	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
Operating grants and contributions	60,350,883	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
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
Total Governmental Activities Program Revenues	<u>85,395,780</u>	<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>
Business-Type Activities:										
Charges for services:										
Delinquent tax collection	1,300,687	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
Total Business-Type Activities Program Revenues	<u>1,300,687</u>	<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>
Total Primary Government Program Revenues	<u>\$86,696,467</u>	<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>

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net (Expense)/Revenue										
Governmental activities	(\$52,447,141)	(\$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)
Business-type activities	(724,692)	(95,792)	(24,476)	(258,157)	(505,582)	158,735	(400,634)	(829,635)	(951,586)	(694,420)
Total Primary Government Net Expense	<u>(\$53,171,833)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$42,185,402	\$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
Unrestricted grants and contributions	4,124,536	3,180,245	3,659,304	6,003,393	51,346	52,393	29,044	21,545	24,657	31,374
Investment earnings	2,717,490	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
Miscellaneous	1,234,530	1,448,322	1,113,633	701,587	780,973	368,669	379,989	524,250	261,156	307,525
Capital contributions										0
Transfers	150,000	152,440	152,160	163,448	189,008	202,815	176,960	24,224	7,738	618,987
Total Governmental Activities	<u>50,411,958</u>	<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>
Business-Type Activities:										
Unrestricted grants		89					3,577			
Investment earnings	261,179	(13,544)	160,201	159,838	200,078	157,817	702,619	999,816	844,786	440,423
Miscellaneous						(1,434)				
Transfers	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)			(630,202)
Total Business-Type Activities	<u>111,179</u>	<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>
Total Primary Government	<u>\$50,523,137</u>	<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>
Changes in Net Position										
Governmental activities	(\$2,035,183)	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
Business-type activities	(613,513)	(259,247)	(14,275)	(248,319)	(455,504)	165,118	155,562	170,181	(106,800)	(884,199)
Total Primary Government	<u>(\$2,648,696)</u>	<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>

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Reserved						\$2,463,646	\$2,399,141	\$2,383,291	\$2,359,739	\$1,914,675
Unreserved						14,249,311	19,685,285	19,763,187	17,503,887	15,970,916
Non spendable	\$642,649	\$816,756	\$952,893	\$1,063,101	\$1,211,907					
Restricted	11,019,013	14,172,606	13,484,895	3,895,553	3,621,836					
Committed	16,602,224	20,196,920	18,143,143	24,208,298	21,236,492					
Assigned	1,821,126	2,857,105	3,102,893	2,892,842	2,124,534					
Unassigned	13,251,045	9,918,253	12,055,123	13,705,990	10,596,307					
Total General Fund	<u>\$43,336,057</u>	<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>
All Other Governmental Funds										
Reserved						\$9,311,357	\$17,787,698	\$22,544,510	\$24,704,233	\$19,584,065
Unreserved, reported in:										
Special revenue funds						27,151,539	30,712,913	36,148,248	34,129,511	33,089,612
Capital projects funds								4,766,982	253,715	2,374,153
Permanent funds						581	484	266		331
Debt service funds							10,488	10,801	10,381	
Non spendable	\$509,221	\$468,989	\$675,596	\$480,256	\$234,865					
Restricted	9,339,384	8,747,803	4,650,108	4,585,792	6,653,473					
Committed	415	897	1,871	1,500	1,000					
Assigned	2,470,882	2,638,975	2,954,171	2,986,441	4,230,262					
	<u>\$12,319,902</u>	<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>

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

	2014	2013	2012	2011	2010
Revenues					
Taxes	\$42,185,402	\$41,102,695	\$40,693,219	\$41,220,280	\$42,348,687
Intergovernmental	69,894,252	67,009,472	75,638,236	73,502,034	64,864,135
Charges for services	11,504,844	11,581,189	11,158,863	9,416,373	9,182,235
Fines and forfeits	74,400	60,548	79,085	1,094,561	1,059,777
Investment earnings (loss)	721,442	(77,480)	540,901	565,297	686,816
Licenses and permits	1,179,701	1,193,107	1,043,694	923,264	682,162
Rental Income	4,958,509	5,273,139	5,260,790	5,776,717	5,888,783
Other revenues	3,241,866	2,832,192	2,643,273	3,059,623	1,872,377
Total Revenues	133,760,416	128,974,862	137,058,061	135,558,149	126,584,972
Expenditures					
Legislative	443,624	395,482	453,693	424,362	486,009
Judicial	16,172,323	15,698,396	15,743,611	14,520,814	14,069,261
General government	42,484,156	10,933,512	10,404,481	11,807,932	13,293,991
Public safety	31,928,910	30,960,295	31,023,756	28,472,398	28,961,133
Public works	1,285,200	916,331	1,220,024	1,131,288	1,267,255
Health and welfare	63,162,724	63,272,984	67,406,382	64,304,327	63,515,125
Community and economic development	813,518	704,966	737,947	619,453	579,516
Culture and recreation	2,627,130	2,510,360	2,394,183	2,517,148	2,234,518
Other governmental functions	252,124	130,386	129,846	176,388	225,829
Capital outlay	5,182,902	2,943,989	3,106,519	5,485,160	2,556,903
Debt service					
Interest and fiscal charges	1,019,424	927,990	950,360	1,034,730	1,115,198
Principal	2,140,000	1,690,000	1,738,499	2,110,000	2,035,000
Total Expenditures	167,512,035	131,084,691	135,309,301	132,604,000	130,339,738
Excess of Revenues Over (Under) Expenditures	(33,751,619)	(2,109,829)	1,748,760	2,954,149	(3,754,766)
Other Financing Sources (Uses)					
Transfers from other funds	12,970,917	10,149,065	10,200,577	9,016,885	15,888,171
Transfers to other funds	(12,520,917)	(9,736,625)	(9,748,417)	(8,153,437)	(15,435,158)
Proceeds from capital lease					35,995
Issuance of land contract				91,500	
Issuance of bonds	29,285,000	5,495,000			
Refunding bonds issued					
Premium(Discount) on bonds issued	(145,726)				
Payment to refunding bond escrow agent					
Total Other Financing Sources (Uses)	29,589,274	5,907,440	452,160	954,948	489,008
Net Change in Fund Balances	(\$4,162,345)	\$3,797,611	\$2,200,920	\$3,909,097	(\$3,265,758)
Debt Service as a Percentage of Noncapital Expenditures (1)	1.95%	2.04%	2.03%	2.47%	2.47%

(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

	2009	2008	2007	2006	2005
Revenues					
Taxes	\$43,680,112	\$43,141,153	\$41,740,361	\$49,182,314	\$44,867,713
Intergovernmental	60,128,208	56,434,209	56,197,074	50,708,309	56,055,124
Charges for services	8,512,541	9,964,645	9,767,081	9,646,695	9,795,022
Fines and forfeits	1,008,906	943,444	1,019,126	1,054,192	1,076,449
Investment earnings (loss)	598,424	3,470,029	4,362,275	3,184,509	1,561,657
Licenses and permits	652,886	639,978	624,236	674,810	745,950
Rental Income	6,372,474	6,272,068	6,442,950	5,998,857	5,442,363
Other revenues	1,514,342	1,665,938	1,764,038	1,832,591	2,189,691
Total Revenues	122,467,893	122,531,464	121,917,141	122,282,277	121,733,969
Expenditures					
Legislative	540,483	559,364	625,263	524,438	549,673
Judicial	14,357,862	14,485,029	13,576,215	12,723,585	12,124,762
General government	13,303,007	13,068,576	12,752,949	12,749,953	12,470,763
Public safety	28,255,423	27,511,087	25,809,803	24,539,124	23,646,691
Public works	1,137,666	807,457	863,260	668,915	550,295
Health and welfare	59,250,617	58,809,002	57,774,307	54,607,601	51,346,970
Community and economic development	634,793	633,980	600,570	605,318	555,363
Culture and recreation	2,123,869	1,774,863	1,498,687	1,641,099	1,507,733
Other governmental functions	149,627	272,874	147,251	163,642	119,565
Capital outlay	17,165,013	20,669,867	8,856,079	5,140,660	17,313,458
Debt service					
Interest and fiscal charges	1,207,113	1,302,601	1,059,013	733,395	1,298,259
Principal	2,335,000	2,235,000	1,830,000	1,720,000	1,460,000
Total Expenditures	140,460,473	142,129,700	125,393,397	115,817,730	122,943,532
Excess of Revenues Over (Under) Expenditures	(17,992,580)	(19,598,236)	(3,476,256)	6,464,547	(1,209,563)
Other Financing Sources (Uses)					
Transfers from other funds	26,901,059	28,937,698	18,396,869	17,593,905	21,046,183
Transfers to other funds	(26,398,244)	(24,360,738)	(18,343,645)	(18,030,738)	(19,880,952)
Proceeds from capital lease	70,190				
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)	573,005	4,576,960	10,132,075	(436,833)	9,301,553
Net Change in Fund Balances	(\$17,419,575)	(\$15,021,276)	\$6,655,819	\$6,027,714	\$8,091,990
Debt Service as a Percentage of Noncapital Expenditures (1)	2.87%	2.91%	2.48%	2.22%	2.61%

(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
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%
2014	7,694,150,150	1,317,239,300	1,181,977,000	758,937,100	10,952,303,550	4.3565	9,752,001,895	21,997,982,694	49.79%

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County Direct Rates										
Operating	4.6666	4.6666	4.7666	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000
Parks	0.3174	0.3168	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165
E-911	0.4419	0.4411	0.4407	0.4407	0.4407	0.4400	0.4400	0.4400	0.4400	0.4400
Total Direct Rate (1)	5.4259	5.4245	5.5238	4.3572	4.3572	4.3565	4.3565	4.3565	4.3565	4.3565
City and Village Rates										
Coopersville	14.9939	14.7991	14.9025	15.1987	14.4594	14.4928	14.5294	14.4403	14.4432	14.3554
Ferrysburg	11.9788	11.9788	11.5828	11.5027	10.3377	10.2377	10.1377	10.5377	10.4518	10.9518
Grand Haven	13.0859	13.0859	13.1853	14.3642	14.3609	14.6124	15.3612	15.3565	15.3609	15.3613
Holland	15.5396	15.4996	15.6497	15.9894	15.9904	16.3913	16.3350	17.3658	17.3639	17.5051
Hudsonville	12.2322	11.2226	11.2050	11.2623	11.2639	11.2848	11.2779	11.2785	11.2719	11.2729
Zeeland	11.3854	11.3854	11.3854	11.4854	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354
Spring Lake Village	13.0619	11.9619	11.8619	11.8619	11.6619	11.6619	11.6619	11.6619	11.6619	11.6619
Township Rates	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	1.38-8.21
School Rates										
Homestead	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	3.00 - 10.87
Non-Homestead	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	21.00 - 28.49

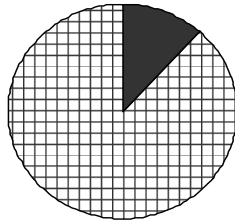
(1) In October of 2004, the State of Michigan suspended State Revenue Sharing payments to counties. To assist counties in preventing the loss of key services, the county property tax levy was gradually moved up from December to July over three years. Effective December 2004 through 2006 tax collection, 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	2014		Percentage of Total County Taxable Assessed Value	2005		Percentage of Total County Taxable Assessed Value
		Taxable Assessed Valuation (1)	Rank		Taxable Assessed Valuation (1)	Rank	
Consumers Energy	Utility	\$649,680,218	1		\$319,053,113	1	3.75%
Gentex Corporation	Automotive Components	150,217,510	2		56,322,328	3	0.66%
Fairlife, LLC	Food Products	81,239,600	3				
Mead Johnson and Co.	Food Products	64,633,303	4				
Shape Corp.	Metal Extrusion	39,046,009	5		35,871,597	6	0.42%
Herman Miller Inc.	Office Furniture	32,069,151	6		79,703,861	2	0.94%
Hoover Universal		31,661,036	7				
ARC Holland Real Estate Holdings		31,354,800	8				
Michigan Electric Transmission	Utility	30,584,000	9				
Leprino Foods Inc.	Cheese Production	29,541,188	10				
Parke-Davis Company	Pharmaceutical				43,973,073	4	0.52%
Johnson Controls Interiors	Automotive Components				36,658,115	5	0.43%
Magna Donnelly Corp.	Automotive Components				35,267,480	7	0.41%
Delphi Automotive	Automotive Components				34,797,289	8	0.41%
Sara Lee	Food Products				30,075,594	9	0.35%
Meijer	Retail Store				25,354,274	10	0.30%
		<u>\$1,140,026,815</u>		<u>0.00%</u>	<u>\$697,076,724</u>		<u>8.19%</u>

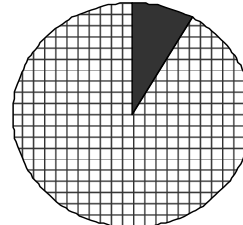
Source: Ottawa County Equalization Department. The 2014 and 2005 total Taxable Values were \$9,752,001,895 and \$8,503,786,076.

Concentration of Taxpayers in Ottawa County - 2014



■ Top Ten Taxpayers ▣ All Other Taxpayers

Concentration of Taxpayers in Ottawa County - 2005



■ 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
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%	1,431,621	38,843,634	99.64%
2007	41,867,866	40,269,739	96.18%	1,522,446	41,792,185	99.82%
2008	43,144,926	41,437,107	96.04%	1,623,622	43,060,729	99.80%
2009	43,598,505	42,093,132	96.55%	1,432,816	43,525,948	99.83%
2010	41,800,971	40,617,242	97.17%	1,143,296	41,760,538	99.90%
2011	40,967,095	39,933,281	97.48%	947,728	40,881,009	99.79%
2012	40,575,521	39,739,895	97.94%	746,975	40,486,870	99.78%
2013	41,141,033	40,348,866	98.07%	519,299	40,868,165	99.34%
2014	41,589,916	40,864,866	98.26%	0	40,864,866	98.26%

(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	0.22%	10,342,908	37,928	272,701	84.84	10,385,574,112	0.22%
2014	50,280,000	N/A	N/A	50,280,000	N/A	N/A	N/A	276,292	181.98	10,952,303,550	0.46%

- (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, 2014

	<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>\$50,280,000</u>	100.0%	<u>\$50,280,000</u>
Total Direct	50,280,000		50,280,000
Overlapping:			
Townships Debt Guaranteed by County (1)	64,217,274	100.0%	64,217,274
School districts	903,282,815	83.3%	752,384,404
Cities and villages (1)	72,785,970	86.4%	62,877,235
Grand Rapids Community College	61,295,000	1.4%	882,648
Library	8,310,000	100.0%	8,310,000
Holland Area Swimming Pool	<u>3,520,000</u>	64.7%	<u>2,277,792</u>
Total Overlapping	<u>1,113,411,059</u>		<u>890,949,353</u>
Grand Total	<u><u>\$1,163,691,059</u></u>		<u><u>\$941,229,353</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**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Assessed Value of Property	\$10,952,303,550	\$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
Debt Limit 10% of Assessed Value	1,095,230,355	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
Amount of Debt Applicable to Limit										
General Obligation Bond Debt:										
Primary Government	\$50,280,000	\$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
Component Units Guaranteed by County (1)	106,474,501	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
Other Debt			0	103,499	0	0	0	28,840	101,232	167,703
Less: Resources Restricted to Paying Principal	-530,837	-451,878	-611,843	-636,892	-684,327	-225,925	-147,515	-167,828	-1,448,703	-1,433,484
Total Net debt applicable to Limit	156,223,664	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
Legal Debt Margin	\$939,006,691	\$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
Total Net Debt applicable to the Limit as a percentage of Debt Limit	14.26%	13.12%	13.12%	13.51%	13.11%	11.32%	10.23%	11.20%	8.02%	9.17%
Ratio of Net General Obligation Debt to Assessed Value of Property	1.426%	1.312%	1.312%	1.351%	1.311%	1.132%	1.023%	1.120%	0.802%	0.917%
Debt Per Capita of Total Net General Obligation Debt	\$565.43	\$499.66	\$499.84	\$537.49	\$545.40	\$503.94	\$468.47	\$504.71	\$342.70	\$371.61
Primary Government Net Debt applicable to the Limit as a percentage of Debt Limit	4.59%	2.23%	1.88%	2.00%	2.10%	2.14%	2.29%	2.53%	1.95%	2.25%
Ratio of Primary Government Net General Obligation Bond Debt to Estimated Actual Value of Property (2)	0.24%	0.11%	0.09%	0.10%	0.10%	0.11%	0.11%	0.13%	0.10%	0.11%
Primary Government Debt Per Capita of Net General Obligation Bond Debt (3)	\$181.98	\$86.88	\$72.59	\$78.73	\$87.47	\$95.86	\$105.20	\$114.68	\$83.75	\$91.34

(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**

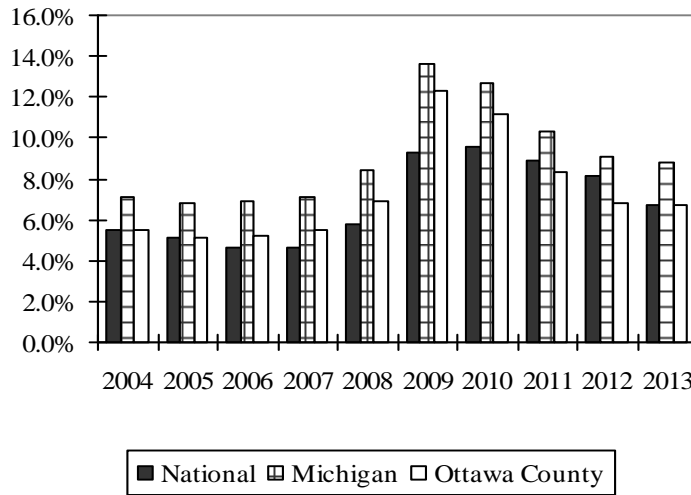
Fiscal Year	Population (1)	Personal Income (thousands of dollars) (1)	Per Capita Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2005	255,261	\$7,962,613	\$31,194	33.5	55,575	5.1%
2006	258,003	8,411,071	32,601	33.8	55,412	5.3%
2007	260,037	8,568,204	32,950	34.1	55,032	5.6%
2008	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	10,342,908	37,928	37.3	48,918	6.7%
2014	n/a	n/a	n/a	n/a	n/a	5.7%

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**



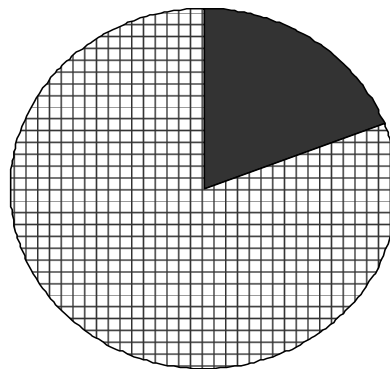
**COUNTY OF OTTAWA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	Type of Business	2014			2005		
		Employees (1)	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Gentex Corporation	Automotive Mirrors	4,342	1	3.7%	2,246	4	2.0%
Herman Miller	Office Furniture	3,584	2	3.1%	4,261	1	3.7%
Grand Valley State University (3)	Higher Education	3,370	3	2.9%	2,413	3	2.1%
Shape Corporation	Metal Roll Forming	2,037	4	1.8%	1,097	10	1.0%
Haworth, Inc. (2)	Office Furniture	1,840	5	1.6%	1,820	5	1.6%
Johnson Controls (2)	Automotive Mirrors	1,782	6	1.5%	3,937	2	3.4%
Magna Mirrors (2)	Automotive Mirrors	1,593	7	1.4%			
Holland Hospital	Health Care	1,538	8	1.3%	1,625	6	1.4%
Meijer	Retailer	1,445	9	1.2%	1,436	8	1.3%
Grand Haven Public Schools	Education	1,194	10	1.0%			
Magna Donnelly	Automotive Windows & Mirrors				1,470	7	1.3%
County of Ottawa	Government				1,176	9	1.0%
		22,725		19.6%	21,481		18.7%

Source: Lakeshore Advantage. Total employment in 2014 was 116,231 and in 2005 was 114,726.

- (1) Excludes temporary employment agencies
- (2) Facilities located within Ottawa County and/or the City of Holland portion of Allegan County
- (3) Total of all facilities (Ottawa, Kent & Muskegon Counties)

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Function/Program										
Legislative	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000
Judicial	128.570	126.081	127.060	128.185	125.025	132.075	126.775	125.775	127.900	127.175
General Government	168.090	165.780	166.000	164.482	166.075	180.500	179.650	180.150	181.150	181.750
Public Safety	224.200	219.200	219.200	219.870	219.893	222.200	218.950	217.200	211.200	210.490
Public Works	4.300	3.800	3.400	3.720	4.420	4.720	4.720	4.720	4.600	4.600
Health and welfare	376.460	377.089	344.863	350.175	342.755	366.954	375.455	382.455	393.160	397.800
Community and economic development	6.400	5.900	5.953	5.850	5.950	6.950	6.950	6.950	6.950	6.950
Culture and recreation	17.250	17.250	15.750	16.000	15.000	15.000	13.000	13.000	12.000	12.000
Total	<u>936.270</u>	<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>

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	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Judicial										
Circuit Court										
Total Civil Cases	1,341	1,344	1,366	1,259	1,328	1,465	1,340	1,263	1,237	1,202
Total Criminal Cases	922	884	988	918	1,048	1,090	1,127	1,218	1,169	1,055
District Court										
Felony Cases	1,390	1,281	1,411	1,378	1,420	1,419	1,542	1,584	1,477	1,347
Misdemeanor Cases	8,136	8,669	9,087	8,630	9,314	9,646	10,301	10,606	10,317	9,714
General Civil Cases	4,210	4,806	6,225	5,672	6,292	6,367	7,067	6,532	4,918	4,341
Probate Court										
Open Cases	9,824	8,770	8,237	7,817	7,419	6,940	6,487	6,031	5,838	4,894
Juvenile Court										
Total Offenses	N/A	N/A	3,226	3,120	3,024	3,387	2,494	3,019	2,439	2,737
Public Safety										
Jail:										
Subjects Admitted	6,776	7,015	7,453	7,136	7,622	7,864	8,079	8,473	9,002	8,533
Average daily population	317.0	338.0	352.0	327.8	330.7	352.0	366.6	395.0	368.0	328.9
Police:										
Calls for Service	67,334	65,179	66,683	65,596	64,773	67,754	72,665	76,171	73,523	71,737
Criminal Arrests	6,893	6,307	6,943	6,989	7,748	8,616	9,177	9,755	10,122	9,890
Traffic Violations	19,984	21,494	22,867	21,423	21,321	24,886	24,170	26,283	28,011	25,937
Health and welfare										
Public Health										
# of Fixed Food Service Inspections	1,201	1,183	968	1,047	1,065	1,022	1,124	1,123	1,122	1,032
% of new entrants enrolled in school immunized	99%	99%	99%	99%	99%	99%	99%	98%	N/A	N/A
Maternal/Infant Health Services										
# of Visits	2,587	3,065	2,804	3,216	3,146	3,645	4,155	4,720	4,847	4,997
# of Dental Services with Miles of Smiles and Sealant Program	8,776	10,163	10,476	9,630	8,981	8,498	8,940	7,748	8,245	7,344
Mental Health										
# of Persons Served	2,798	2,784	3,513	3,276	3,205	3,203	3,064	3,076	2,964	3,041
Culture and recreation										
Parks:										
# of Operating Days	96	98	97	101	98	101	99	100	101	101
Daily Permits	32,693	33,004	36,511	33,267	38,576	30,670	31,524	30,450	30,663	30,933
Annual Permits	7,017	5,981	6,516	5,845	6,420	5,431	5,115	5,925	5,638	5,850

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
Register of Deeds:										
# of Deeds Recorded	11,099	11,898	11,210	9,559	9,633	8,933	9,428	10,173	10,156	11,625
County Clerk:										
# of Certified Copies (Births, Deaths, etc.)	20,173	20,173	20,076	17,757	19,382	19,016	21,096	21,182	19,294	19,097
County Treasurer:										
# of Receipts Written - General	N/A	N/A	N/A	19,581	16,729	18,357	14,239	15,172	15,477	15,271
# of Receipts Written - Tax Collections (including online)	6,302	6,525	7,295	7,738	8,946	9,620	8,141	8,071	7,449	N/A
Real Properties Returned Delinquent	4,092	4,772	5,396	5,891	6,800	7,493	7,179	7,043	6,349	6,814
Fiscal Services:										
# of A/P Checks/ACH Processed	21,403	23,006	25,074	27,529	24,330	24,399	25,278	25,678	26,517	26,891
# of Invoices Issued	9,227	9,392	12,031	10,526	11,087	10,839	15,200	11,929	11,002	10,388
Facilities Maintenance:										
# of Work Orders Processed	9,890	27,886	39,818	40,540	39,223	45,054	44,211	41,775	38,016	35,569

Source: Ottawa County Departments

**COUNTY OF OTTAWA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Safety:										
Vehicular Patrol Units	139	135	134	133	133	136	137	134	133	130
Sheriff's Substations	10	8	8	8	8	8	8	8	8	7
Health and welfare										
Number of Clinics	3	3	3	3	3	3	4	4	4	4
Culture and recreation										
Total Park Acres ¹	3,542	3,542	3,542	3,542	3,542	3,429	3,560	3,360	3,351	3,032
General Government										
Total Square Footage of Buildings	644,220	644,220	642,020	642,020	647,104	647,104	728,033	582,161	582,161	538,612
Number of IT Servers	124	88	77	62	57	49	33	28	28	24

Source: Ottawa County Departments

¹ Does not include Park Open Space

SINGLE AUDIT SECTION



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

June 24, 2015

Board of County Commissioners
County of Ottawa
West Olive, Michigan

We have audited, in accordance with the 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, the 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 (the County) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 24, 2015. Our report includes a reference to other auditors who audited the financial statements of the Mental Health Special Revenue fund and the Protected Self-Funded Insurance – Mental Health Internal Service fund, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

June 24, 2015

Board of County Commissioners
County of Ottawa
West Olive, Michigan

Report on Compliance for Each Major Federal Program

We have audited the County of Ottawa, Michigan's (the County) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2014. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of

findings and questioned costs as item 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the 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, 2014, and the related notes to the financial statements, which collectively comprise the County of Ottawa, Michigan's basic financial statements. We issued our report thereon dated June 24, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Our report includes a reference to other auditors who audited the financial statements of the Mental Health Special Revenue fund and the Protected Self-Funded Insurance – Mental Health Internal Service fund, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are

reported on separately by those auditors. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Ordevelo Haefner LLC

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COUNTY OF OTTAWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/Pass-through Grantor/Program or Cluster Title	CFDA Number	Expenditures
<u>U.S. Department of Justice:</u>		
Direct:		
Edward Byrne Memorial Competitive Grant Program	16.751	\$ 272,422
Edward Byrne Memorial Justice Assistance Grant Program - FY13	16.738	6,780
Edward Byrne Memorial Justice Assistance Grant Program - FY14	16.738	24,578
State Criminal Alien Assistance Program	16.606	15,707
Drug Court Discretionary Grant Program	16.585	<u>59,646</u>
Total direct		379,133
Passed through Michigan Supreme Court:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	<u>104,769</u>
Total U.S. Department of Justice		<u>483,902</u>
<u>U.S. Department of Agriculture:</u>		
Passed through Michigan Department of Community Health:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	<u>27,498</u>
Passed through Michigan Department of Education:		
Emergency Food Assistance Program - FY14	10.568	26,125
Emergency Food Assistance Program - FY15	10.568	10,747
Emergency Food Assistance Program - Commodities	10.568	109,622
Commodity Supplemental Food Program	10.565	17,727
Commodity Supplemental Food Program	10.565	4,084
Commodity Supplemental Food Program - Commodities	10.565	80,597
School Breakfast Program	10.553	16,944
National School Lunch Program	10.555	<u>31,312</u>
Total passed through Michigan Department of Education		<u>297,158</u>
Passed through Michigan Strategic Fund:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	<u>390</u>
Total U.S. Department of Agriculture		<u>325,046</u>
<u>U.S. Department of Health and Human Services:</u>		
Direct:		
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	<u>14,539</u>
Passed through Kalamazoo Community Mental Health & Substance Abuse Services:		
Block Grants for Community Mental Health Services	93.958	<u>16,948</u>
Passed through Lakeshore Coordinating Council:		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	<u>73,955</u>
Passed through Michigan Community Action Agency Association:		
Low-Income Home Energy Assistance - FY14	93.568	123,181
Low-Income Home Energy Assistance - FY15	93.568	36,458
Medical Assistance Program - Maximus	93.778	<u>17,100</u>
Total passed through Michigan Community Action Agency Association		<u>176,739</u>

COUNTY OF OTTAWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/Pass-through Grantor/Program or Cluster Title	CFDA Number	Expenditures
Passed through Michigan Department of Community Health:		
Family Planning Services	93.217	\$ 70,675
Immunization Cooperative Agreements - Shipped Vaccines	93.268	454,866
Immunization Cooperative Agreements - Vaccine Program	93.268	132,203
Public Health Emergency Preparedness - 10/1/13 through 6/30/14	93.069	111,928
Public Health Emergency Preparedness - 7/1/14 through 9/30/14	93.069	37,419
Medical Assistance Program - OBRA	93.778	94,425
Medical Assistance Program - Medicaid Outreach	93.778	100,651
Medical Assistance Program - CSHCS Medicaid Outreach	93.778	55,933
Medical Assistance Program - CSHCS Outreach & Advocacy	93.778	86,000
Block Grants for Community Mental Health Services	93.958	41,032
Maternal and Child Health Services Block Grant to the States - FP	93.994	32,056
Maternal and Child Health Services Block Grant to the States - MIHP	93.994	37,133
Maternal and Child Health Services Block Grant to the States - MIHP MCH	93.994	44,081
Maternal and Child Health Services Block Grant to the States - SEAL	93.994	24,649
Total passed through Michigan Department of Community Health		<u>1,323,051</u>
Passed through Michigan Department of Human Services:		
Community Service Block Grant - D FY14	93.569	41,826
Community Service Block Grant - D FY15	93.569	80
Community Service Block Grant - FY14	93.569	212,452
Community Service Block Grant - FY15	93.569	69,665
Low-Income Home Energy Assistance	93.568	26,902
Low-Income Home Energy Assistance - MEAP	93.568	6,238
Low-Income Home Energy Assistance - LIHEAP	93.568	6,059
Low-Income Home Energy Assistance - S	93.568	2,230
Foster Care_Title IV-E	93.658	16,709
Child Support Enforcement - PA	93.563	138,820
Child Support Enforcement - FOC	93.563	1,659,800
Child Support Enforcement - FOC Incentive	93.563	375,963
Total passed through Michigan Department of Human Services		<u>2,556,744</u>
Passed through Michigan Strategic Fund:		
Temporary Assistance for Needy Families - SS FY14	93.558	25,000
Temporary Assistance for Needy Families - FY14	93.558	247,015
Temporary Assistance for Needy Families - FY15	93.558	104,771
Total passed through Michigan Strategic Fund		<u>376,786</u>
Passed through Michigan Supreme Court:		
Grants to States for Access and Visitation Programs	93.597	1,123
Total U.S. Department of Health and Human Services		<u>4,539,885</u>
<u>U.S. Department of Energy:</u>		
Passed through Michigan Department of Human Services:		
Weatherization Assistance for Low-Income Persons - LIHEAP	81.042	17,821
Weatherization Assistance for Low-Income Persons - DOE FY 14	81.042	155,945
Weatherization Assistance for Low-Income Persons - DOE FY 15	81.042	62,464
Total U.S. Department of Energy		<u>236,230</u>

COUNTY OF OTTAWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/Pass-through Grantor/Program or Cluster Title	CFDA Number	Expenditures
<u>U.S. Department of Homeland Security:</u>		
Direct:		
Port Security Grant Program	97.056	\$ 3,997
Passed through Michigan Department of State Police:		
Emergency Management Performance Grant - FY 2014	97.042	33,631
Emergency Management Performance Grant - FY 2015	97.042	9,578
Emergency Management Performance Grant - 2012 Supplemental	97.042	10,517
Total passed through Michigan Department of State Police		53,726
Passed through West Michigan Shoreline Regional Development Commission, Region 6 HLSRGB:		
Homeland Security Grant Program - FY 2011/2012	97.067	343,276
Homeland Security Grant Program - FY 2013	97.067	56,476
Total passed through West Michigan Shoreline Regional Development Commission, Region 6 HLSRGB		399,752
Passed through Michigan Department of Natural Resources:		
Boating Safety Financial Assistance	97.012	12,244
Total U.S. Department of Homeland Security		469,719
<u>Executive Office of the President:</u>		
Passed through West Michigan Enforcement Team:		
High Intensity Trafficking Areas Program HIDTA	95.001	11,868
<u>U.S. Department of Housing and Urban Development</u>		
Direct:		
Continuum of Care Program - HUD 1	14.267	194,412
Continuum of Care Program - HUD 3	14.267	62,788
Continuum of Care Program - HUD 4	14.267	9,134
Continuum of Care Program - HUD 5	14.267	4,984
Supportive Housing Program - HUD 6	14.235	8,733
Total direct		280,051
Passed through Michigan State Housing Development Authority:		
Community Development Block Grants/State's Program and Non-Entitlements Grants	14.228	144,574
Emergency Solutions Grant Program - FY14	14.231	95,722
Emergency Solutions Grant Program - FY15	14.231	31,019
Total passed through Michigan State Housing Development Authority		271,315
Total U.S. Department of Housing and Urban Development		551,366
<u>U.S. Department of Transportation:</u>		
Passed through Michigan Department of State Police:		
Hazardous Materials Emergency Preparedness Planning	20.703	6,076
State and Community Highway Safety	20.600	32,356
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	16,887
National Priority Safety Programs - Underage Drinking Enforcement	20.616	3,998
National Priority Safety Programs - Strategic Traffic Enforcement Program	20.616	6,955
Total passed through Michigan Department of State Police		66,272
Total U.S. Department of Transportation		66,272

COUNTY OF OTTAWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/Pass-through Grantor/Program or Cluster Title	CFDA Number	Expenditures
<u>U.S. Department of Labor:</u>		
Passed through Michigan Strategic Fund:		
WIA Administration - AY11	17.258, 17.259, 17.278	\$ 4,826
WIA Administration - AY12	17.258, 17.259, 17.278	6,218
WIA Administration - AY13	17.258, 17.259, 17.278	151,564
Workforce Investment Act (WIA) National Emergency Grants	17.277	30,729
Employment Service/Wagner-Peyser Funded Activities - AY12	17.207	8,257
Employment Service/Wagner-Peyser Funded Activities - AY13	17.207	211,105
Employment Service/Wagner-Peyser Funded Activities - AY14	17.207	143,092
WIA Adult, Youth and Dislocated Worker Programs - AY13	17.258, 17.259, 17.278	16,808
WIA Adult, Youth and Dislocated Worker Programs - AY14	17.258, 17.259, 17.278	143
WIA Dislocated Worker Formula Grants - AY11	17.278	43,421
WIA Dislocated Worker Formula Grants - AY12	17.278	60,601
WIA Dislocated Worker Formula Grants - AY13	17.278	328,299
WIA Dislocated Worker Formula Grants - AY14	17.278	30,121
Trade Adjustment Assistance - 2002 FY14	17.245	12,251
Trade Adjustment Assistance - 2009/2011 FY14	17.245	74,473
Trade Adjustment Assistance - 2009/2011 FY14 Case Mgt	17.245	50,494
Trade Adjustment Assistance - 2009/2011 FY15	17.245	17,577
Trade Adjustment Assistance - 2009/2011 FY15 Case Mgt	17.245	17,356
Trade Adjustment Assistance - 2014 FY14	17.245	1,806
Trade Adjustment Assistance - 2014 FY15	17.245	16,770
WIA Youth Activities - AY12	17.259	7,122
WIA Youth Activities - AY13	17.259	565,323
WIA Adult Program - AY12	17.258	1,520
WIA Adult Program - AY13	17.258	414,688
WIA Adult Program - AY14	17.258	56,976
Total passed through Michigan Strategic Fund		<u>2,271,540</u>
<u>U.S. Department of the Interior:</u>		
Direct:		
Fish and Wildlife Management Assistance	15.608	<u>40,134</u>
<u>U.S. Environmental Protection Agency:</u>		
Direct:		
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	67,720
Passed through Michigan Department of Environmental Quality:		
Federal Funding for Operator Assistance	66.468	438
Passed through Michigan Department of Agriculture and Rural Development:		
Michigan Agriculture Environmental Assurance Program	66.469	<u>36,295</u>
Total U.S. Environmental Protection Agency		<u>104,453</u>
Total Expenditures of Federal Awards		<u>\$ 9,100,415</u>

COUNTY OF OTTAWA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2014

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Ottawa, Michigan and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

2. ACCOUNTING PERIOD

Certain funds of the County utilize the fiscal years ended September 30, 2014 and December 31, 2014. Programs that fall under a different fiscal year are reported on the schedule expenditures of federal awards based on the fund's fiscal year-end.

3. SUBRECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County of Ottawa provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Homeland Security Grant	97.067	\$ 52,627
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	6,107
State and Community Highway Safety	20.600	13,369
National Priority Safety Programs	20.616	2,434
Emergency Solutions Grant	14.231	117,701
Total		<u>\$192,238</u>

Amounts passed through by the County to a subrecipient in previous years were found to be unallowable costs in 2011. The amount is being returned to the County and remitted by the County to the State agency in accordance with an approved payment plan.

4. VACCINES EXPENDITURES

Expenditures as reported on the Schedule of Expenditures of Federal Awards agree with the County general ledger and include inventory adjustments in accordance with generally accepted accounting principles. The amount shown above is reconciled to the amount reported by the State of Michigan as follows:

	<u>CFDA #93.268 Shipped Vaccines</u>
Expenditures as reported	\$ 454,866
Less - inventory at beginning of year	(128,522)
Add - inventory at end of year	122,041
	<u>122,041</u>
Vaccines received per State of Michigan	<u>\$ 448,385</u>

COUNTY OF OTTAWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? X yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.565, 10.568	Food Distribution
17.258, 17.259, 17.278	WIA Cluster
93.268	Immunization
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.569	Community Services Block Grant
93.778	Medical Assistance

Dollar threshold used to distinguish between Type A and B programs: \$300,000

Auditee qualified as low-risk auditee? _____ yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2014-001

Condition and Criteria: OMB Circular A-87 Attachment B, Item 8H provides the standards regarding time distribution. These standards state that where employees work on multiple activities or cost objectives, a distribution of their salaries or wages must be supported by personnel activity reports which must reflect an after-the-fact distribution of the actual activity of each employee, account for the total activity for which each employee is compensated, be prepared at least monthly and coincide with one or more pay periods, and be signed by the employee.

Cause: While the appropriate County employees were aware of the applicable compliance requirements, analysis and implementation of the new process took time. Therefore, implementation of the new internal procedures to ensure compliance with the requirements did not occur until the beginning of the following fiscal year.

Effect: Noncompliance with the requirements of OMB Circular A-87.

Recommendation: Ottawa County should develop and implement a procedure to ensure that personnel activity reports are maintained as support, as applicable, for employee compensation charged to federal grants.

Management Response: Effective October 1, 2014, a new process was implemented whereas wages for employees working on multiple activities are supported by personnel activity reports. These reports reflect an after-the-fact distribution of the actual activity of each employee and account for the total activity for which each employee is compensated.

COUNTY OF OTTAWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

2013-001

Ottawa County should develop and implement an equipment management policy that encompasses all the federal compliance requirements regarding equipment purchased with federal grant dollars.

This finding was corrected.

2013-002

Ottawa County should ensure that the subaward grant agreements contain the appropriate communications required by OMB Circular A-133.

This finding was corrected.

2013-003

Ottawa County should develop and implement a procedure to ensure that time certifications are maintained as support, as applicable, for employee compensation charged to federal grants.

This finding was resolved for CFDA #66.469 and repeated as 2014-001 for CFDA #93.778.

2013-004

Ottawa County should strengthen controls by incorporating a level of monitoring and review to the process of charging costs to the grant and submitting financial reports requesting reimbursement.

This finding was corrected.

2013-005

Ottawa County should modify the procurement process to ensure that a verification check is performed for each covered transaction with an entity at a lower tier.

This finding was corrected.