

**COUNTY OF OTTAWA
GRAND HAVEN, MICHIGAN**



**2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2019
Prepared by Fiscal Services Department**

COUNTY OF OTTAWA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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INTRODUCTORY



Ottawa County

Administrator's Office

March 26, 2020

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 September 30, 2019.

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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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. 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 290,000 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 six 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 sixth lowest general property tax levy in the state.

Although considered legally separate entities, the County works closely with its seven component units – Road Commission, Central Dispatch Authority, Public Utilities System, Land Bank Authority, Office of the Water Resources Commissioner, Brownfield Redevelopment Authority, and Economic Development Corporation; as well as its two blended component units – Building Authority and Insurance Authority to provide the citizens of the County additional services.

LOCAL ECONOMY

The Ottawa economy continues to rebound strongly from the Great Recession with growth in manufacturing, commercial and residential investment. Since 2010, residential building permits are up 229%. For 2020 the County estimates taxable values will increase 5.3%, marking eight continuous years of growth. This growth continues to be limited, however, by state law as both the Headlee Amendment and Proposal A significantly limit inflationary increases.

Sustained economic growth by the County, including Gross Domestic Product and Per Capita Income, has helped attract significant business development and expansion to the area. GDP is at 4.4% and trending up as is Per Capita Income. The unemployment rate for Ottawa County is 2.7% which is lower than both the state rate of 4% and the national rate of 3.7%. This is a large drop from 12.5% during the 2009 recession.

MAJOR INITIATIVES

The County completed a number of major initiatives in 2019 designed to enhance quality of life for both residents and visitors alike, increase the efficiency and effectiveness of county government, and foster and support a culture of innovation and continuous improvement. These initiatives continue to make the County the location of choice to work, play, and live.

Attracting and retaining global talent is critical to the continued growth of the county's largest employers. Ensuring Ottawa County is a welcoming place to all is key to this retention. As a result, Ottawa County established its first ever Diversity, Equity and Inclusion (DEI) Office for the County and the DEI Director was hired in June of 2019. The DEI office will lead the development of an equity plan for the entire range of human differences. A key initiative will be identifying implicit bias in internal policies, procedures, practices, and in external service delivery. In addition, the County intends to extend assistance to local units of government that desire to tackle similar objectives.

Ottawa County is undoubtedly a premiere location for outdoor recreation. Construction of the Spoonville and Idema Explorers Grand River Greenway Trails continue. Several segments of both trails are now complete, including those linking the Nunica community on the north side of the Grand River to the Grand Haven community on the south side of the Grand River. This connection is already widely used and continues to host the 231 River Run annually. The Idema Explorers Grand River Greenway Trail will total 36.5 miles when complete. Currently, 13 miles are paved and another 12 are being engineered. Funding for these projects comes from both public and private sources. In addition, the Ottawa Beach Marina welcomed its first seasonal slip holders. Finally, one new park opened in 2019, Stearns Creek Park; and thanks again to grant funds and generous donations, less than 1% of the \$990,000 cost was tax dollars.

Online transactions continue to be popular among residents, saving time for customers as well as allowing access at a day and time convenient to them. In Fiscal Year 2019, the number of online transactions numbered 86,066, doubling the number of transactions since 2013 when there were 39,419 online transactions. By saving staff time required for over-the-counter transactions, online services provide an additional cost-avoidance benefit.

Ottawa County implemented the first ever wayfinding robot. The robot serves as the building receptionist and is a major step forward in combining both artificial intelligence and customer service.

In November, 2018 Ottawa County residents authorized a fixed allocation and reset the County Operating Millage to 4.4400. Headlee Rollback reduced the maximum allowable millage to 4.4186. The Board levied 3.9 mills, up .3 mill from the prior year and committed the funds to pay down the unfunded liability from the closed defined benefit plan. With both changes, the Board levied .5186 mills or \$6 million less than the maximum allowable.

PLANNING FOR THE FUTURE

Issues and initiatives that will occupy our organizational capacity over the next year include: completion of Facility condition assessment, M-231 Bypass End Point and route, Southwest Ottawa Landfill, implementation of the Groundwater Plan, Grand River Greenway Fundraising.

The Board meets annually to review the County's strategic plan and tailor it to the goals of the Board, which include maintaining and improving the strong financial position of the County. For the 2020 fiscal year and beyond, the Board identified several objectives to meet these goals, including maintaining and improving current processes and implementing new strategies to retain a balanced budget. These processes and strategies include maintaining the health of the County financing tools and the Insurance Authority, and continuing to develop the Capital Improvement Plan by identifying projects needed in the future and the funding to pay for it. Together, the Board and the County continue to evaluate and adopt

strategies to contain the cost of health benefits and address the outstanding pension and retiree liabilities. With the vision and action of the Board, the County continues to look very positively toward the future.

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 September 30, 2018. 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-four 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.

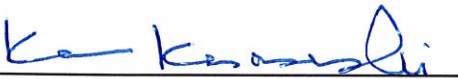
ACKNOWLEDGEMENTS

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
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for Excellence
in Financial
Reporting

Presented to

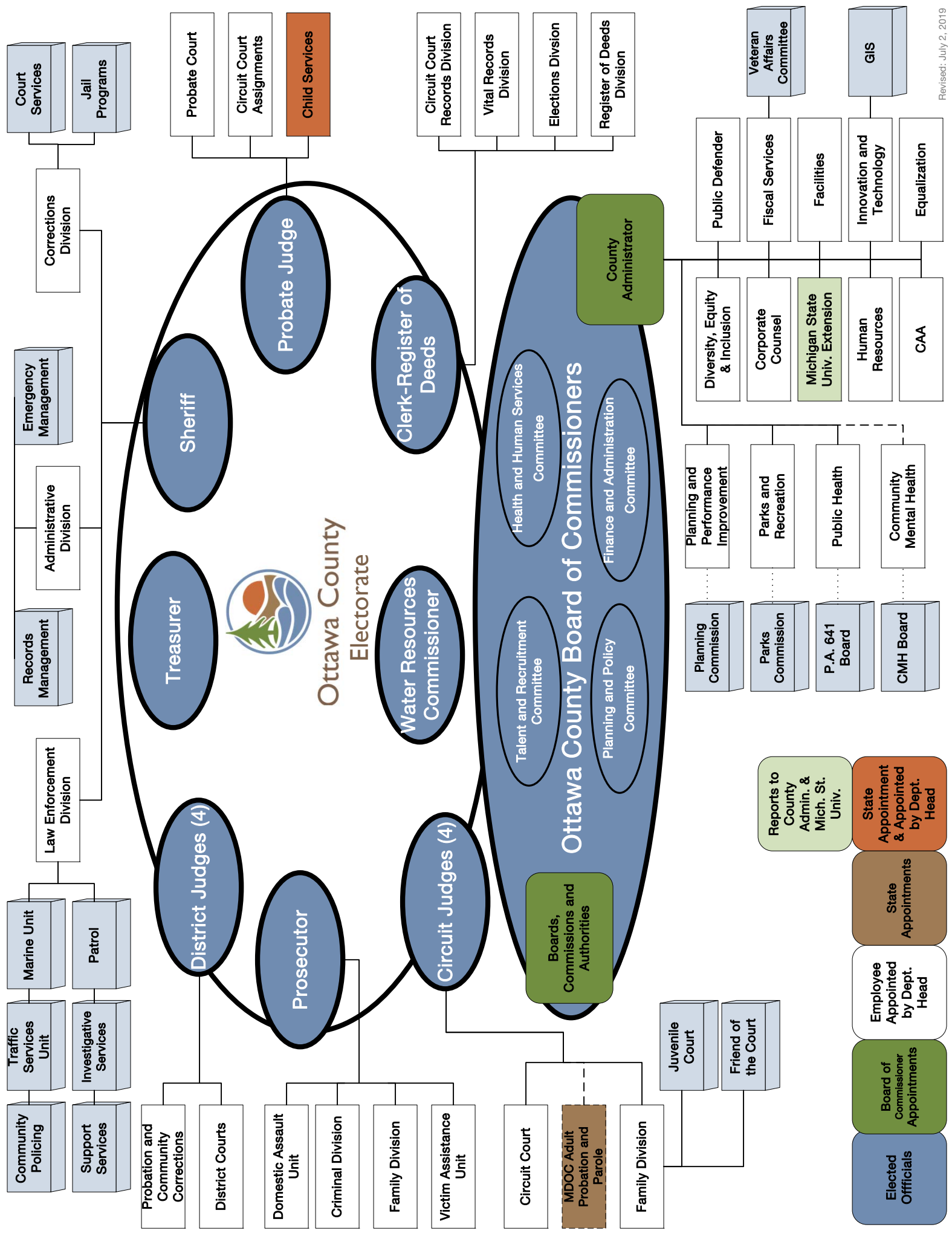
**County of Ottawa
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

COUNTY OF OTTAWA
GRAND HAVEN, MICHIGAN

FOR THE YEAR ENDED SEPTEMBER 30, 2019

BOARD OF COMMISSIONERS

2019

GREG DEJONG, CHAIRMAN
ROGER BERGMAN, VICE-CHAIRMAN

JOSEPH BAUMANN
ALLEN DANNENBERG
MATTHEW FENSKE
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DOUG ZYLSTRA

ADMINISTRATOR
ALAN G. VANDERBERG

FISCAL SERVICES DIRECTOR
KAREN KARASINSKI, CPA

INDEPENDENT AUDITORS' REPORT



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CPAs and Consultants
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(616) 460-9388

INDEPENDENT AUDITORS' REPORT

March 24, 2020

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 September 30, 2019, 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 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Ottawa County, Michigan, as of September 30, 2019, 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 through 12 and the Required Supplementary Information section 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 nonmajor fund financial statements and the schedule of expenditures of federal awards 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 our report dated March 24, 2020, on our consideration of the County of Ottawa's 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 solely 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 the effectiveness of the County's 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's internal control over financial reporting and compliance.

Uredexeld Haefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Ottawa, we offer readers of the County's financial statements this narrative discussion and analysis of the financial activities of the County for the fiscal year ended September 30, 2019. 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 County's net position, which is the excess of assets and deferred outflows over liabilities and deferred inflows, at the close of the fiscal year was \$175,120,185, of which \$27,924,345 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. Total net position increased by \$9,208,152 as a result of operations of the current fiscal year.
- At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$55,194,496, an increase of \$3,365,263 as a result of operations of the current fiscal year. Of the ending fund balance total, \$37,104,828 (67%) is Nonspendable or subject to the underlying restrictions, commitments, or assignments of the particular general, special revenue, debt service or capital project funds, while \$18,089,668 (33%) is unassigned and available for spending at the County's discretion.
- At the end of the current fiscal year, total fund balance for the General Fund was \$40,464,324, an increase of \$2,688,513 from current operations.
- The County's total bonded debt decreased by \$2,815,000 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as introduction to the County's basic financial statements, which are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

Government-wide financial statements are designed to provide readers a broad overview of the County's finances in a manner similar to a private-sector business. These two statements distinguish between the governmental activities of the County, which include legislative, judicial, general government, public safety, public works, health and welfare, community and economic development, and culture and recreation, that are principally supported by taxes and intergovernmental revenues and the business-type activities of the County, which include the administration of the delinquent property tax collection system, that are intended to recover all, or a significant portion, of their costs through user fees and charges.

Included in these statements are the primary government, which includes the County and two blended component units (Ottawa County Building Authority and the Ottawa County, Michigan Insurance Authority) which are legally separate entities but function as departments of the County, as well as seven legally separate entities, known as discretely presented component units, which are:

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Ottawa County Road Commission
- Ottawa County Central Dispatch Authority ("OCCDA")
- Ottawa County Public Utilities System ("the System")
- Ottawa County Land Bank Authority
- Ottawa County Office of the Water Resources Commissioner ("WR Commissioner")
- Ottawa County Brownfield Redevelopment Authority ("BRA")
- Ottawa County Economic Development Corporation ("EDC")

The statement of net position presents information of 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 of how the government's net position changed during the current period. All changes in net position are reported as soon as the underlying event causing the change occurs, regardless of the timing of related cash flows, which means some revenues and expenses are reported in this statement for items that will only result in cash flows in future fiscal periods.

Fund financial statements

A fund is a group of related accounts used to track resources separated for a specific activity or purpose. Like other state and local governments, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are similar to governmental activities in the government-wide financial statements, but the 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 period. 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 allows for comparison between governmental funds and governmental activities so readers may better understand the long-term impact of the government's near-term financing decisions.

The County has 21 governmental funds, three of them (General, Community Mental Health, and Substance Use Disorder) are considered major funds and are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The other 18 funds are considered nonmajor funds and are combined into a single, aggregated presentation. Information for each of the nonmajor funds is provided in both individual and combined statements later in the report.

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

Proprietary funds

The County has two types of proprietary funds: enterprise and internal service funds. The County has one enterprise fund for the Delinquent Tax Revolving Fund, which is presented as business-type activities in the government-wide financial statements. The County has eleven internal service funds to account for, and allocate costs internally. The following activities are accounted for in the internal service funds: innovation technology, duplicating, telecommunications, equipment pool, insurance programs, employee benefits, DB/DC conversion and compensated absences. Because these

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 and because the resources are not available to support the County's programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is similar to 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 management's discussion and analysis, major fund budget to actual schedules, and multi-year trend information on the funding progress of the County's defined benefit pension plan and other post-employment benefits.

Supplementary information

In addition to the basic financial statements, accompanying notes, and required supplementary information, this report also contains supplementary combining statements and schedules, statistical information and a single audit section.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Over time, net position may serve as a useful indicator of a government's financial health. For the County of Ottawa, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$175,120,185 at the close of the fiscal year. 44.16% of the County's net position is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Net investment in capital assets, which represent 45.46% of total net position, include net book value of land, buildings, and equipment less any outstanding debt used to acquire those assets, and are not available for future spending. Although the County's investment in capital assets is reported net of related debt, the resources needed to repay the debt should be provided from other sources since the assets cannot be readily used to liquidate these liabilities. Net investment in capital assets increased \$8,168,462 resulting from principal payment on debt and the Parks Department purchase of Ottawa Sands property.

In addition to the net investment in capital assets, there are other restrictions on the use of net position, primarily due to legal guidelines. The restricted net position total was \$18,187,077. This represents resources that are subject to external restrictions on how they may be used.

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's net position for the current fiscal year, with a comparison to the previous fiscal year, is as follows:

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Current and other assets	\$ 130,518,881	\$ 128,118,613	\$ 21,140,348	\$ 20,832,260	\$ 151,659,229	\$ 148,950,873
Capital assets	134,361,244	143,467,179	-	-	134,361,244	143,467,179
Total assets	264,880,125	271,585,792	21,140,348	20,832,260	286,020,473	292,418,052
Deferred outflow s of resources	14,288,941	28,653,616	-	-	14,288,941	28,653,616
Other liabilities	37,899,557	29,701,145	3,556	(6,001)	37,903,113	29,695,144
Long-term liabilities outstanding	90,036,262	111,173,418	-	-	90,036,262	111,173,418
Total liabilities	127,935,819	140,874,563	3,556	(6,001)	127,939,375	140,868,562
Deferred inflow s of resources	6,458,006	5,082,921	-	-	6,458,006	5,082,921
Net position						
Net investment in capital assets	120,840,301	129,008,763	-	-	120,840,301	129,008,763
Restricted	14,787,103	16,262,305	1,932,436	1,924,772	16,719,539	18,187,077
Unrestricted	9,147,837	9,010,856	19,204,356	18,913,489	28,352,193	27,924,345
Total net position	\$ 144,775,241	\$ 154,281,924	\$ 21,136,792	\$ 20,838,261	\$ 165,912,033	\$ 175,120,185

Statement of Activities

Total net position increased \$9,208,152 during 2019.

Specific activity affecting the primary government's net position's increase of \$9,208,152 during the current year, is as follows:

Revenues

Revenues increased \$19,012,305 (12.3%). Total increase is due in large part to the \$9,275,941 (14.6%) increase in operating grants attributable to in-kind contributions for the Parks Ottawa Sands purchase and the \$8,440,964 (15.4%) increase in property taxes. The increase in property taxes was a result of development and increased value of existing property, \$5,097,405, in addition to the Board of Commissioners levying an additional .3 mills committed to payments for the closed defined benefit plan, \$3,343,559.

Investment earnings also increased by \$860,856 (28.7%) due to income generated by the Ottawa County Insurance Authority's investments.

Expenses

Expenses increased \$8,030,096 (5.2%), this is due in large part to an increase in expenses for Community Mental Health in the Health and Welfare function. There was an increase of expenses in the Public Safety function as well.

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's changes in net position for the current fiscal year, with a comparison to the previous fiscal year, is as follows:

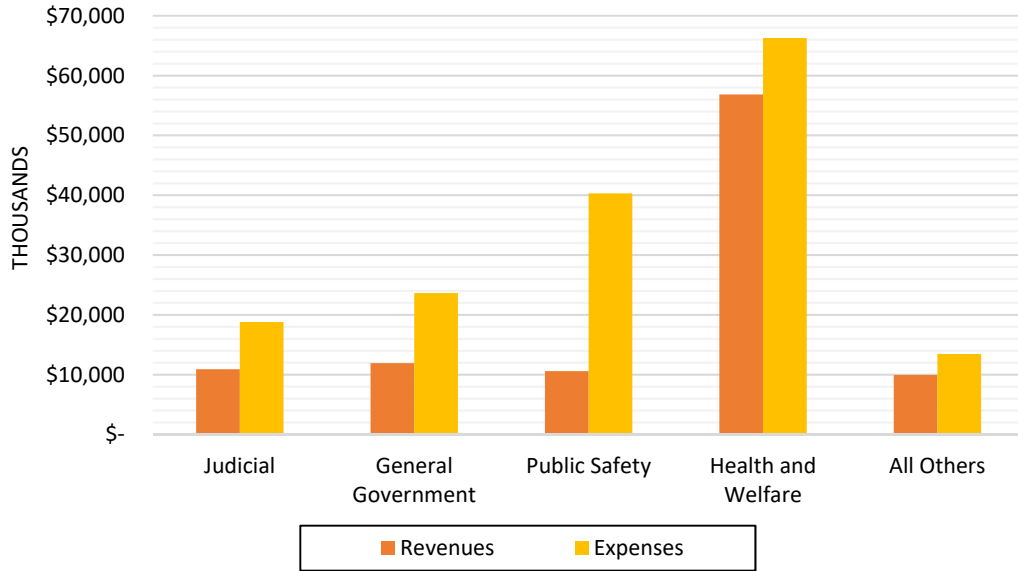
	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Revenues						
Program revenues:						
Charges for services	\$ 25,838,283	\$ 27,175,231	\$ 990,143	\$ 908,033	\$ 26,828,426	\$ 28,083,264
Operating grants and contributions	63,743,292	73,019,233	-	-	63,743,292	73,019,233
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	54,827,335	63,268,299	-	-	54,827,335	63,268,299
Grants and contributions not restricted to specific programs	5,639,410	4,803,626	-	-	5,639,410	4,803,626
Investment earnings	2,790,127	3,202,576	208,978	657,385	2,999,105	3,859,961
Miscellaneous	-	15,490	-	-	-	15,490
Total revenues	152,838,447	171,484,455	1,199,121	1,565,418	154,037,568	173,049,873
Expenses						
Legislative	546,898	548,540	-	-	546,898	548,540
Judicial	19,996,417	21,779,336	-	-	19,996,417	21,779,336
General government	16,776,198	17,002,751	-	-	16,776,198	17,002,751
Public safety	38,499,682	41,312,780	-	-	38,499,682	41,312,780
Public works	6,079,105	7,101,848	-	-	6,079,105	7,101,848
Health and welfare	65,712,292	68,887,815	-	-	65,712,292	68,887,815
Community and economic development	1,330,165	1,206,248	-	-	1,330,165	1,206,248
Culture and recreation	5,425,261	4,620,440	-	-	5,425,261	4,620,440
Interest on long-term debt	1,270,256	1,186,589	-	-	1,270,256	1,186,589
Business-type activities			175,351	195,374	175,351	195,374
Total expenses	155,636,274	163,646,347	175,351	195,374	155,811,625	163,841,721
Increase in net position before transfers to other funds	(2,797,827)	7,838,108	1,023,770	1,370,044	(1,774,057)	9,208,152
Transfers	1,816,300	1,668,575	(1,816,300)	(1,668,575)	-	-
Increase (decrease) in net position	(981,527)	9,506,683	(792,530)	(298,531)	(1,774,057)	9,208,152
Net position, beginning of year	145,756,768	144,775,241	21,929,322	21,136,792	167,686,090	165,912,033
Net position, end of year	\$ 144,775,241	\$ 154,281,924	\$ 21,136,792	\$ 20,838,261	\$ 165,912,033	\$ 175,120,185

COUNTY OF OTTAWA

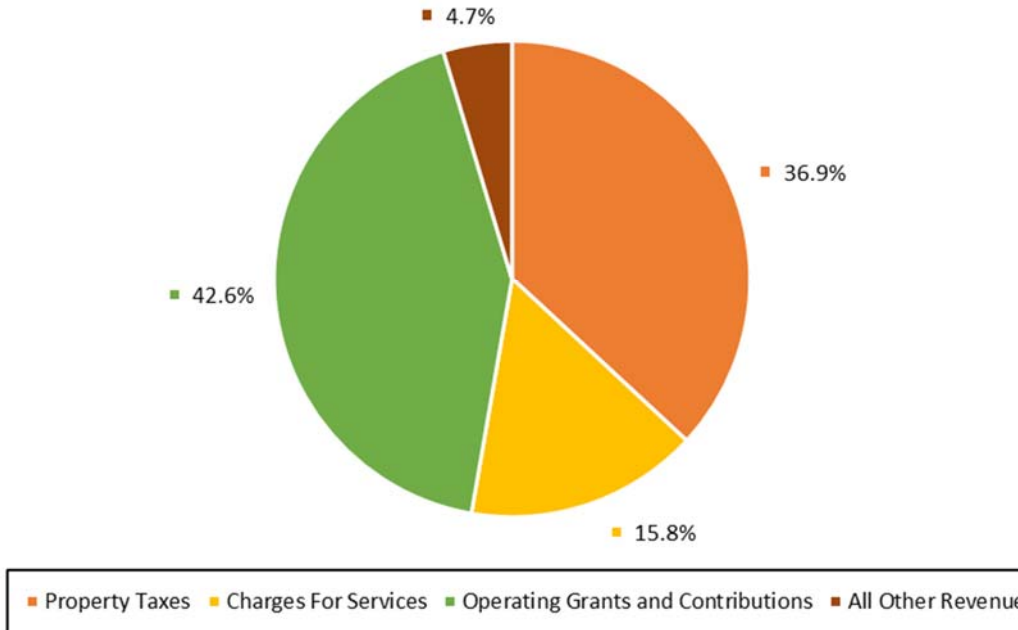
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Program Revenues and Expenses



Revenues by Source



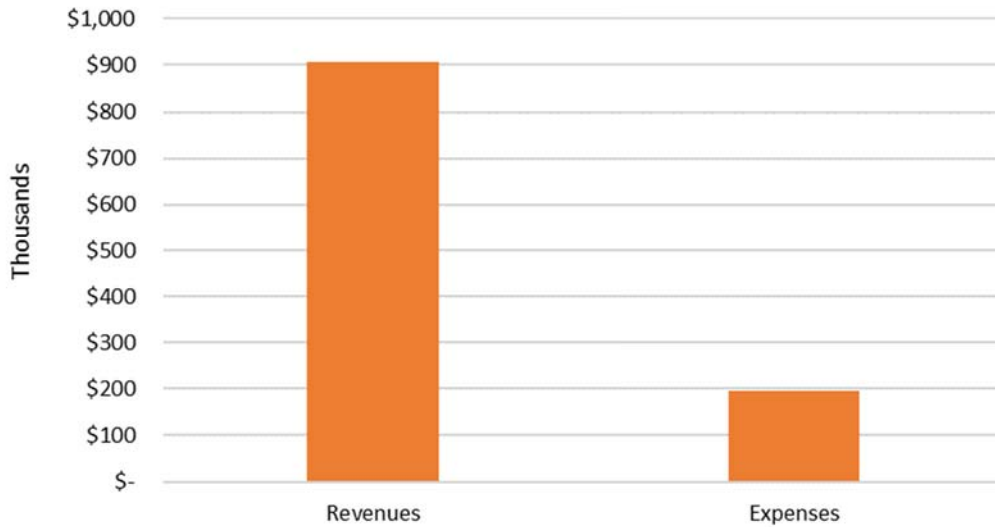
COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

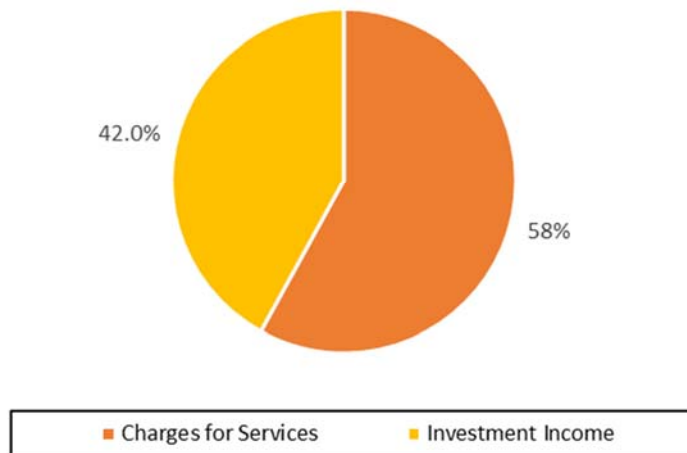
Business-type Activities

Business-type activities decreased the County's net position by an expected \$298,531 due to the transfer of funds for debt service payment for the Series 2015 Refunding Revenue Bonds. The revenues for these activities are penalties and interest on delinquent taxes, proceeds from tax sales, and investment income. Their penalties and interest on delinquent taxes and proceeds from tax sales (charges for services) decreased \$82,110, their investment income increased by \$448,407 and their expenses increased \$20,023.

Program Revenues and Expenses



Revenues by Source



COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND STATEMENT FINANCIAL ANALYSIS

Governmental Funds

Of the \$55,194,496 combined governmental fund balances as of the end of the current fiscal year, \$17,227,929 (31%) is considered non-spendable or restricted because it is either in a non-spendable form (inventory or prepaid expenses), or is unavailable because it is a long-term advance to component units and other funds or due to legal restrictions. Those amounts are \$965,624 and \$16,262,305, respectively. The remaining \$37,966,567 (69%) is considered spendable fund balance, of which \$13,862,231 has been committed by the Board for specific purposes, \$6,014,668 has been assigned by the County Administrator for specific purposes, and \$18,089,668 is unassigned fund balance and is available for spending at the County's discretion. Unassigned fund balance represents 22.9% percent of total General Fund expenditures and transfers out, which may be a useful measurement of the General Fund's liquidity. The County's fund balance is still higher than the normal 10-15% range. Cash flow and other funding needs are under review and a recommendation for Board consideration is forthcoming.

The General Fund is the chief operating fund of the County and at September 30, 2019 had a total fund balance of \$40,464,324. In accordance with GASB 54, the County consolidates 4 sub-funds with the General Fund. The sub-funds represent resources designated for specific purposes and, during the year, planned use of reserves amounted to \$2,405,338. The sub-funds planned use of reserves combined with the increase of \$283,175 from on-going operations resulted in the net increase of \$2,688,513 from the previous year.

The Community Mental Health Fund (2220) had no change in fund balance. There was a decrease in the Substance Use Disorder Fund (2225) fund balance of \$39,295 from the prior fiscal year due to interest earned on investments.

General Fund Budgetary Highlights

The original revenue and expenditure budgets (including transfers in/out) for the General Fund (1010) were \$76,886,250 and \$78,678,859, respectively. The amended revenue budget was \$79,143,159, and the amended expenditure budget was \$80,404,835.

The revenue budget (including transfers in) increased overall by \$2,244,890, spread throughout the County in various departments with no area having a material increase. Revenues and transfers in as a whole were \$944,386 under budget.

The budget for General Fund expenditures (including transfers out) increased \$1,725,976 in total. Expenditures and transfers out as a whole were \$2,489,237 under budget. Which is normal, departments usually underspend by approximately 3% each year.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets net of accumulated depreciation was \$143,467,179 as of September 30, 2019. This investment in capital assets includes land and land improvements, buildings and improvements, and equipment. The County's total investment in capital assets for the current year remained essentially steady as additions approximated depreciation.

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

- Approximately \$6,500,000 was spent on the Ottawa Sands 343 acre land purchase.
- Approximately \$1,000,000 was spent on a new phone system.

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Approximately \$1,700,000 consists of construction in progress which include the Fillmore Complex HVAC, the Jail DVR System and Fillmore Complex office renovations

Capital Assets (net of depreciation)

Additional information on the County's capital assets can be found in Note 5 of this report.

	2019	2018
Land	\$ 62,364,481	\$ 55,811,543
Construction in progress	2,206,348	419,737
Land improvements	14,940,189	15,179,229
Buildings and improvements	55,555,554	55,610,018
Equipment	8,400,607	7,340,717
Total	<u>\$ 143,467,179</u>	<u>\$ 134,361,244</u>

Long-term Debt

At the end of the current fiscal year, the County had total general obligation bonds backed by the full faith and credit of the County outstanding of \$36,285,000, which decreased by \$2,815,000 from the prior year due to a payment made in the 2019 fiscal year.

General Obligation Bonds Outstanding

Additional information on debt can be found in Note 8 of this report.

	2019	2018
General obligation bonds	\$ 24,700,000	\$ 30,015,000
General obligation bonds - Refunding	8,280,000	9,085,000
Private Placements	3,305,000	-
Total	<u>\$ 36,285,000</u>	<u>\$ 39,100,000</u>

The County has a "AAA" rating from Fitch for general obligation limited tax bonds, as well as a "AAA" rating from Moody's and a "AA" rating from Standard and Poor's for general obligation unlimited and limited tax bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. As of September 30, 2019, the debt limitation for the County is \$1,494,819,740, 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 on Note 8 in the notes to the financial statements section of this report.

ECONOMIC FACTORS AND THEIR IMPACT ON FUTURE BUDGETS

The following factors were considered in preparing the County's budget for the 2020 fiscal year:

- The County continues to see increases in property values; the changes in taxable value over the last five years are as follows:

2015	2016	2017	2018	2019
5.59%	1.37%	3.73%	4.08%	5.42%

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

- In November 2018, Ottawa County residents authorized a fixed allocation and reset the maximum County Operating Millage to 4.4400. The Headlee Rollback for 2019 reduced the maximum allowable millage to 4.4186 and the Board levied 3.9 mills, .5186 mills or \$6M less than the maximum allowable.
- The unemployment rate for the County was 2.7% as of September 2019, which is significantly lower than 4% for Michigan as a whole. Industry initiatives discussed in the transmittal letter have continued to improve the employment outlook for the County.
- The County continues to see sustained population growth, as it has the last five years.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those who are interested. 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
SEPTEMBER 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and pooled investments (Note 3)	\$ 62,820,425	\$ 17,074,320	\$ 79,894,745	\$ 66,380,695
Investments	43,841,494	-	43,841,494	-
Receivables (net of allowance for estimated uncollectibles)				
Taxes	6,529,332	3,200,177	9,729,509	-
Accrued interest and penalties on delinquent taxes	-	550,613	550,613	-
Accounts	1,413,105	7,150	1,420,255	2,600,364
Accrued interest on investments	308,865	-	308,865	-
Advances to component units (Note 6)	325,000	-	325,000	-
Due from other governments	10,736,335	-	10,736,335	6,603,788
Inventory of supplies	224,931	-	224,931	1,126,936
Prepaid items	1,492,261	-	1,492,261	420,637
Total current assets	<u>127,691,748</u>	<u>20,832,260</u>	<u>148,524,008</u>	<u>77,132,420</u>
Noncurrent assets				
Net other post-employment benefits asset	446,697	-	446,697	-
Due from other governments	-	-	-	102,951,547
Notes Receivable	-	-	-	102,537
Capital assets not being depreciated (Note 5)	64,570,829	-	64,570,829	4,358,999
Capital assets being depreciated, net	<u>78,896,350</u>	<u>-</u>	<u>78,896,350</u>	<u>293,517,993</u>
Total noncurrent assets	<u>143,913,876</u>	<u>-</u>	<u>143,913,876</u>	<u>400,931,076</u>
Total assets	<u>271,605,624</u>	<u>20,832,260</u>	<u>292,437,884</u>	<u>478,063,496</u>
Deferred outflows of resources				
Unamortized deferred bond refunding costs	289,362	-	289,362	2,984,924
Pension Plan/OPEB (Note 10 & 12)	<u>28,364,254</u>	<u>-</u>	<u>28,364,254</u>	<u>5,517,908</u>
Total deferred outflows of resources	<u>28,653,616</u>	<u>-</u>	<u>28,653,616</u>	<u>8,502,832</u>
Liabilities				
Current liabilities				
Accounts payable	20,145,399	(6,241)	20,139,158	7,780,865
Interest payable	529,379	-	529,379	1,154,542
Due to component units	-	-	-	5,096
Due to other governments	832,423	240	832,663	-
Notes payable	-	-	-	354,000
Current portion of long-term debt (Note 8)	7,487,317	-	7,487,317	8,670,177
Advances from primary government	-	-	-	325,000
Advances from other governments	478,406	-	478,406	900,373
Unearned revenue	<u>248,055</u>	<u>-</u>	<u>248,055</u>	<u>2,069,863</u>
Total current liabilities	<u>29,720,979</u>	<u>(6,001)</u>	<u>29,714,978</u>	<u>21,259,916</u>
Noncurrent liabilities				
Noncurrent portion of long-term obligations (Note 8)	37,368,926	-	37,368,926	131,058,930
Net OPEB liability (Note 12)	-	-	-	3,012,252
Net pension liability (Note 10)	<u>73,804,492</u>	<u>-</u>	<u>73,804,492</u>	<u>24,973,975</u>
Total noncurrent liabilities	<u>111,173,418</u>	<u>-</u>	<u>111,173,418</u>	<u>159,045,157</u>
Total liabilities	<u>140,894,397</u>	<u>(6,001)</u>	<u>140,888,396</u>	<u>180,305,073</u>
Deferred inflows of resources				
Pension/OPEB deferred inflows	<u>5,082,921</u>	<u>-</u>	<u>5,082,921</u>	<u>717,641</u>
Net position (Note 1)				
Net investment in capital assets	129,008,763	-	129,008,763	285,189,541
Restricted for				
Capital projects	3,463,778	-	3,463,778	6,333,191
Debt Service	-	-	-	2,098,048
Donations	819,209	-	819,209	-
Grants	1,346,948	-	1,346,948	-
Infrastructure maintenance	-	-	-	3,963,642
State of Michigan public act restrictions	10,632,370	1,924,772	12,557,142	-
Cemetery trust	-	-	-	-
Unrestricted	<u>9,010,854</u>	<u>18,913,489</u>	<u>27,924,343</u>	<u>7,959,192</u>
Total net position	<u>\$ 154,281,922</u>	<u>\$ 20,838,261</u>	<u>\$ 175,120,183</u>	<u>\$ 305,543,614</u>

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

COUNTY OF OTTAWA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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	\$ 546,819	\$ 1,721	\$ 3,371	\$ -	\$ -	\$ (545,169)
Judicial	18,806,605	2,972,732	4,369,583	6,545,434	-	(10,864,320)
General government	23,642,744	(6,639,993)	7,619,076	4,300,850	-	(5,082,825)
Public safety	40,298,559	1,014,221	9,776,054	803,805	-	(30,732,921)
Public works	7,077,086	24,762	526,239	229,261	-	(6,346,348)
Health and welfare	66,268,542	2,619,274	3,914,670	52,924,254	-	(12,048,892)
Community and economic development	1,204,173	2,075	128,242	8,217	-	(1,069,789)
Culture and recreation	4,615,232	5,208	837,996	8,207,412	-	4,424,968
Interest on long-term debt	1,186,589	-	-	-	-	(1,186,589)
Total governmental activities	163,646,349	-	27,175,231	73,019,233	-	(63,451,885)
Business-type activities						
Delinquent tax collection	195,374	-	908,033	-	-	712,659
Total primary government	\$ 163,841,723	\$ -	\$ 28,083,264	\$ 73,019,233	\$ -	\$ (62,739,226)
Component units	\$ 63,827,889	\$ -	\$ 37,550,727	\$ 37,611,570	\$ 12,091,931	\$ 23,426,339

(Continued)

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

COUNTY OF OTTAWA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Primary Government</u>			<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
Changes in net position				
Net (expense) revenue	\$ (63,451,885)	\$ 712,659	\$ (62,739,226)	\$ 23,426,339
General revenues				
Property taxes, levied for general purposes	45,157,697	-	45,157,697	52,553
Property taxes, levied for park development	3,849,324	-	3,849,324	-
Property taxes, levied for E-911 Central Dispatch	5,109,878	-	5,109,878	-
Property taxes, levied for Road Commission and Cities	5,720,182	-	5,720,182	-
Property taxes, levied for CMH Millage Fund	3,431,218	-	3,431,218	-
Grants and contributions not restricted to specific programs	4,803,626	-	4,803,626	77,970
Investment earnings	3,202,576	657,385	3,859,961	838,978
Gain from disposal of capital assets	-	-	-	50,962
Miscellaneous	15,490	-	15,490	187,633
Transfers - internal activities	<u>1,668,575</u>	<u>(1,668,575)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>72,958,566</u>	<u>(1,011,190)</u>	<u>71,947,376</u>	<u>1,208,096</u>
Change in net position	9,506,681	(298,531)	9,208,150	24,634,435
Net position, beginning of year	<u>144,775,241</u>	<u>21,136,792</u>	<u>165,912,033</u>	<u>280,909,179</u>
Net position, end of year	<u>\$ 154,281,922</u>	<u>\$ 20,838,261</u>	<u>\$ 175,120,183</u>	<u>\$ 305,543,614</u>

(Concluded)

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

COUNTY OF OTTAWA

**GOVERNMENTAL FUNDS
BALANCE SHEET**

**SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

	<u>General</u>	<u>Community Mental Health</u>	<u>Substance Use Disorder</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>	
					<u>2019</u>	<u>2018</u>
Assets						
Cash and pooled investments	\$ 32,613,823	\$ 2,087,160	\$ 302,500	\$ 11,733,271	\$ 46,736,754	\$ 38,495,433
Receivables (net of allowance for estimated uncollectibles)						
Taxes	6,526,381	-	-	2,951	6,529,332	10,743,182
Accounts	696,026	133,939	771	570,638	1,401,374	1,593,802
Accrued interest on investments	217,681	-	-	-	217,681	224,928
Due from other funds	16,793	-	-	-	16,793	58,501
Due from other governmental units	2,660,022	838,564	437,154	6,800,595	10,736,335	18,551,509
Interfund receivable	2,282,174	-	-	-	2,282,174	1,882,792
Advances to component units	325,000	-	-	-	325,000	325,000
Inventory of supplies	10,300	1,012	-	213,619	224,931	290,641
Prepaid expenditures	150,532	145,903	-	119,258	415,693	347,462
Total assets	<u>45,498,732</u>	<u>3,206,578</u>	<u>740,425</u>	<u>19,440,332</u>	<u>68,886,067</u>	<u>72,513,250</u>
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	1,812,591	2,477,142	270,748	1,834,738	6,395,219	6,722,531
Due to other governmental units	256,001	42,796	373,629	159,996	832,422	8,094,005
Interfund payable	-	-	-	2,282,174	2,282,174	1,570,914
Advances from other governmental units	-	-	-	478,406	478,406	478,406
Unearned revenue	714	43,103	85,748	118,490	248,055	221,679
Total liabilities	<u>2,069,306</u>	<u>2,563,041</u>	<u>730,125</u>	<u>4,873,804</u>	<u>10,236,276</u>	<u>17,087,535</u>
Deferred inflows of resources						
Aggregate deferred inflows (Note 4)	2,965,102	-	-	490,194	3,455,296	3,596,482
Fund balances (Note 1)						
Nonspendable	485,832	146,915	-	332,877	965,624	963,103
Restricted	10,294,141	496,622	10,300	5,461,241	16,262,304	14,787,103
Committed	10,206,281	-	-	3,655,950	13,862,231	11,831,026
Assigned	1,388,402	-	-	4,626,266	6,014,668	5,895,890
Unassigned	18,089,668	-	-	-	18,089,668	18,352,111
Total fund balances	<u>40,464,324</u>	<u>643,537</u>	<u>10,300</u>	<u>14,076,334</u>	<u>55,194,495</u>	<u>51,829,233</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 45,498,732</u>	<u>\$ 3,206,578</u>	<u>\$ 740,425</u>	<u>\$ 19,440,332</u>	<u>\$ 68,886,067</u>	<u>\$ 72,513,250</u>

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

SEPTEMBER 30, 2019

Total Fund Balances - Governmental Funds	\$ 55,194,495
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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.

Capital assets not being depreciated - land	64,570,829
Capital assets being depreciated, net of accumulated depreciation	73,705,910

Certain assets are not current financial resources and are not reported in the funds.

Net other post-employment benefits asset	446,697
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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.

Total net position of internal service funds	49,404,840
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Certain deferred inflows reported in the funds are not available but are recognized in the governmental activities.

Unavailable deferred inflows	3,455,296
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Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	(36,285,000)
Landfill reclamation liability	(4,491,543)
Accrued interest payable	(529,379)
Unamortized bond premium	(956,426)
Unamortized deferred bond refunding loss	289,362
Deferred Inflows OPEB	(5,082,921)
Net pension liability	(73,804,492)
Deferred outflows for pension and OPEB plans	<u>28,364,254</u>

Net Position of Governmental Activities	<u>\$ 154,281,922</u>
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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 SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	General	Community	Substance	Nonmajor	Total	
		Mental Health	Use Disorder	Governmental Funds	Governmental Funds	Governmental Funds
					2019	2018
Revenues						
Taxes	\$ 55,825,585	\$ -	\$ -	\$ 7,287,843	\$ 63,113,428	\$ 54,749,752
Intergovernmental revenues	10,956,292	36,618,920	2,927,254	32,775,638	83,278,104	74,883,395
Charges for services	9,837,137	241,392	-	2,763,940	12,842,469	12,424,545
Fines and forfeits	72,221	-	-	-	72,221	92,636
Investment earnings	784,685	(27,890)	39,137	122,657	918,589	886,227
Licenses and permits	374,476	-	-	1,131,454	1,505,930	1,520,059
Rental income	2,166,072	-	-	286,405	2,452,477	2,558,853
Other	875,045	107,545	2,017	4,032,781	5,017,388	4,261,180
Total revenues	80,891,513	36,939,967	2,968,408	48,400,718	169,200,606	151,376,647
Expenditures						
Current operations						
Legislative	535,661	-	-	-	535,661	536,062
Judicial	12,446,039	-	-	5,942,828	18,388,867	19,581,015
General government	14,089,617	-	-	3,006,406	17,096,023	13,650,681
Public safety	30,238,530	-	-	8,707,591	38,946,121	36,486,500
Public works	6,179,705	-	-	680,182	6,859,887	6,284,436
Health and welfare	787,859	38,758,134	3,007,703	24,172,785	66,726,481	64,298,726
Community and economic development	1,159,850	-	-	8,170	1,168,020	1,288,239
Culture and recreation	-	-	-	3,794,805	3,794,805	3,641,729
Other governmental functions	128,249	-	-	-	128,249	127,116
Debt service	-	-	-	4,134,327	4,134,327	5,120,006
Capital projects	-	-	-	12,977,303	12,977,303	9,535,767
Total expenditures	65,565,510	38,758,134	3,007,703	63,424,397	170,755,744	160,550,277
Revenues over (under) expenditures	15,326,003	(1,818,167)	(39,295)	(15,023,679)	(1,555,138)	(9,173,630)
Other financing sources (uses)						
Transfers from other funds	709,196	1,818,167	-	17,846,269	20,373,632	17,711,359
Transfers to other funds	(13,346,686)	-	-	(2,106,546)	(15,453,232)	(11,856,755)
Total other financing sources (uses)	(12,637,490)	1,818,167	-	15,739,723	4,920,400	5,854,604
Net change in fund balances	2,688,513	-	(39,295)	716,044	3,365,262	(3,319,026)
Fund balances, beginning of year	37,775,811	643,537	49,595	13,360,290	51,829,233	55,148,259
Fund balances, end of year	\$ 40,464,324	\$ 643,537	\$ 10,300	\$ 14,076,334	\$ 55,194,495	\$ 51,829,233

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 SEPTEMBER 30, 2019

Net Change in Fund Balances - Governmental Funds	\$ 3,365,262
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Amounts reported for governmental activities in the statement of net position 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.

Capital outlay	13,868,313
Depreciation expense	(5,452,352)
Net book value of disposed assets	(40,130)

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.

Change in unavailable revenues	(141,188)
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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.

Principal payments on debt	2,815,000
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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.

Change in landfill reclamation liability	(82,771)
Change in compensated absences payable	2,960,881
Change in accrued interest payable	33,857
Amortization of bond premium	135,482
Amortization of deferred bond refunding costs	(36,603)
Change in net pension liability	(24,063,892)
Change in deferred outflow for pension plan	14,795,218
Change in OPEB liability	1,781,509
Change in OPEB deferred outflow	(393,940)
Change in OPEB deferred inflow	1,375,085

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.

Change in net position of internal service funds	(1,413,050)
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Change in Net Position of Governmental Activities	<u>\$ 9,506,681</u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF OTTAWA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Business-type Activities Enterprise Fund	Governmental Activities
	Delinquent Tax Revolving Fund	Internal Service Funds
Assets		
Current assets		
Cash and pooled investments	\$ 17,074,320	\$ 16,083,671
Investments	-	43,841,494
Receivables		
Delinquent taxes receivable	3,200,177	-
Accrued interest and penalties on delinquent taxes	550,613	-
Accounts	7,150	11,731
Accrued interest on investments	-	91,184
Due from other funds	-	3,662,616
Prepaid expenses	-	1,076,568
Total current assets	20,832,260	64,767,264
Noncurrent assets		
Capital assets		
Office furniture and equipment	-	9,011,948
Copy machines	-	313,501
Telephone equipment	-	1,847,684
Vehicles	-	5,997,227
Less accumulated depreciation	-	(11,979,920)
Net capital assets	-	5,190,440
Total assets	20,832,260	69,957,704
Liabilities		
Current liabilities		
Accounts payable	(6,241)	13,750,180
Current Portion of long-term debt	-	3,030,197
Due to other funds	-	3,679,410
Due to other governmental units	240	-
Total Current liabilities	(6,001)	20,459,787
Compensated Absences Payable	-	93,077
Total liabilities	(6,001)	20,552,864
Net position		
Invested in capital assets	-	5,190,440
Restricted for land foreclosure	1,924,772	-
Unrestricted	18,913,489	44,214,400
Total net position	\$ 20,838,261	\$ 49,404,840

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 SEPTEMBER 30, 2019

	Business-type Activities Enterprise Fund	Governmental Activities
	Delinquent Tax Revolving Fund	Internal Service Funds
Operating revenues		
Charges for services	\$ 100,511	\$ 24,581,718
Penalties and interest in delinquent taxes	807,522	-
Other revenue	-	3,119,016
Total operating revenues	908,033	27,700,734
Operating expenses		
Personnel services	118,447	9,108,161
Contractual services	62,277	757,295
Supplies	14,650	159,225
Depreciation	-	1,756,267
Building and equipment rental	-	324,497
Claims and legal	-	1,775,028
Miscellaneous	-	14,529,800
Total operating expenses	195,374	28,410,273
Operating income	712,659	(709,539)
Nonoperating revenues (expenses)		
Investment earnings	657,385	2,108,569
Net change in the fair value of investments	-	316,468
Gain on sale of capital assets	-	123,277
Total nonoperating revenues	657,385	2,548,314
Income before transfers	1,370,044	1,838,775
Transfers		
Transfers out	(1,668,575)	(3,251,825)
Total transfers	(1,668,575)	(3,251,825)
Change in net position	(298,531)	(1,413,050)
Total net position, beginning of year	21,136,792	50,817,890
Total net position, end of year	\$ 20,838,261	\$ 49,404,840

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

COUNTY OF OTTAWA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	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	\$ -	\$ 24,450,444
Cash received from penalties and interest on delinquent taxes	858,292	-
Cash payments to suppliers for goods and services	(86,297)	(16,526,647)
Cash payments for self-funded insurance claims	-	(1,032,282)
Cash payments to employees for services	(118,447)	(3,275,547)
Purchase of delinquent tax rolls	(324,702)	-
Net cash provided by (used for) operating activities	<u>328,846</u>	<u>3,615,968</u>
Cash flows from noncapital financing activities		
Transfers out to other funds	(1,668,575)	(3,251,825)
Net cash provided by (used for) noncapital financing activities	<u>(1,668,575)</u>	<u>(3,251,825)</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	-	(2,486,371)
Proceeds from sale of equipment	-	123,277
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(2,363,094)</u>
Cash flows from investing activities		
Purchase of investments	-	(27,135,046)
Interest on investments	657,385	2,547,279
Proceeds from sale of investments	-	26,451,422
Net cash provided by (used for) investing activities	<u>657,385</u>	<u>1,863,655</u>
Net increase (decrease) in cash and pooled investments	(682,344)	(135,296)
Cash and pooled investments, beginning of year	<u>17,756,664</u>	<u>16,218,967</u>
Cash and pooled investments, end of year	<u>\$ 17,074,320</u>	<u>\$ 16,083,671</u>

(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 SEPTEMBER 30, 2019

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

Operating income (loss)	\$ 712,659	\$ (709,539)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	-	1,756,267
Change in assets and liabilities not affecting cash provided by (used for) operating activities		
(Increase) decrease in receivables	(374,256)	252,019
(Increase) decrease in prepaid expenses	-	(515,681)
Increase (decrease) in unpaid claims liability	-	1,187,804
Increase (decrease) in unearned revenue	-	(144,567)
Increase (decrease) in accounts payable	(9,587)	(531,880)
Increase (decrease) in current portion of long-term debt	-	3,030,197
Increase (decrease) in due to other funds	-	(801,729)
Increase (decrease) in due to other governmental units	30	-
Increase (decrease) in total noncurrent liabilities	-	93,077

Net cash provided by (used for) operating activities \$ 328,846 \$ 3,615,968

Noncash investing activities

The change in fair value of investments for the internal service funds was \$316,468.

(Concluded)

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

COUNTY OF OTTAWA
FIDUCIARY FUNDS
STATEMENT OF NET POSITION/BALANCE SHEET

SEPTEMBER 30, 2019
(with comparative totals at September 30, 2018)

	Other Post-Employment Benefit Plan		Agency Funds	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Assets				
Cash and pooled investments	\$ 114,143	\$ -	\$ 40,481,908	\$ 24,769,029
U.S. Government securities	805,491	674,167	-	-
Corporate bonds	848,410	839,263	-	-
Mutual funds				
Money market mutual funds	294,642	419,048	-	-
Fixed income	130,798	103,947	-	-
Domestic equity	1,254,351	1,303,628	-	-
Exchange traded	299,500	375,980	-	-
International equity	2,352,526	2,089,521	-	-
Receivables				
Accounts	-	-	5,404	6,032
Due from other governmental units	-	23,484	395,564	263,753
Total assets	<u>6,099,861</u>	<u>5,829,038</u>	<u>40,882,876</u>	<u>25,038,814</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	-	-	39,773,182	23,146,251
Fines and fees due to local libraries	-	-	222,891	205,778
Agency deposits	-	-	886,803	1,686,785
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 40,882,876</u>	<u>\$ 25,038,814</u>
Net position restricted for other post-employment benefits	<u>\$ 6,099,862</u>	<u>\$ 5,829,038</u>		

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 SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

Additions	<u>2019</u>	<u>2018</u>
Contributions		
Employer	\$ 225,566	\$ 287,527
Plan member	433,446	454,632
Investment income (loss)	<u>215,713</u>	<u>508,448</u>
Total additions	<u>874,725</u>	<u>1,250,607</u>
Deductions		
Administrative expense	61,534	61,690
Premiums	<u>542,368</u>	<u>565,074</u>
Total deductions	<u>603,902</u>	<u>626,764</u>
Total net increase (decrease)	270,823	623,843
Net position, beginning of year	<u>5,829,039</u>	<u>5,205,196</u>
Net position, end of year	<u>\$ 6,099,862</u>	<u>\$ 5,829,039</u>

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

COUNTY OF OTTAWA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	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	Ottawa County Brownfield Redevelopment Authority	Ottawa County Economic Development Corporation	Total
Assets								
Current assets								
Cash and pooled investments	\$ 37,106,698	\$ 5,838,726	\$ 21,281,275	\$ 49,306	\$ 2,009,595	\$ 85,213	\$ 9,882	\$ 66,380,695
Receivables (net of allowance for Accounts	9,376	-	2,590,988	-	-	-	-	2,600,364
Due from other governments	4,953,380	679,320	-	-	971,088	-	-	6,603,788
Inventory of supplies	1,112,016	-	14,920	-	-	-	-	1,126,936
Prepaid items	236,750	183,887	-	-	-	-	-	420,637
Total current assets	43,418,220	6,701,933	23,887,183	49,306	2,980,683	85,213	9,882	77,132,420
Noncurrent assets								
Due from other governments	-	-	100,267,946	-	2,683,601	-	-	102,951,547
Notes Receivable	-	-	-	-	-	102,537	-	102,537
Capital assets not being depreciated	4,027,867	331,132	-	-	-	-	-	4,358,999
Capital assets being depreciated, net	237,875,916	15,710,272	-	-	39,931,805	-	-	293,517,993
Total noncurrent assets	241,903,783	16,041,404	100,267,946	-	42,615,406	102,537	-	400,931,076
Total assets	285,322,003	22,743,337	124,155,129	49,306	45,596,089	187,750	9,882	478,063,496
Deferred outflows of resources								
Unamortized bond refunding costs	-	-	2,984,924	-	-	-	-	2,984,924
Deferred for pension/opeb plans	5,424,692	93,216	-	-	-	-	-	5,517,908
	5,424,692	93,216	2,984,924	-	-	-	-	8,502,832
Liabilities								
Current liabilities								
Accounts payable	4,852,717	276,165	2,327,407	-	322,561	2,015	-	7,780,865
Interest payable	-	-	1,119,493	-	35,049	-	-	1,154,542
Due to component units	-	-	5,096	-	-	-	-	5,096
Notes payable	-	-	-	-	354,000	-	-	354,000
Current portion of long-term debt	885,341	599,939	6,779,446	-	405,451	-	-	8,670,177
Advances from primary government	-	-	150,000	-	175,000	-	-	325,000
Advances from other governments	900,373	-	-	-	-	-	-	900,373
Unearned revenue	-	-	1,675,593	-	394,270	-	-	2,069,863
Total current liabilities	6,638,431	876,104	12,057,035	-	1,686,331	2,015	-	21,259,916
Noncurrent liabilities								
Noncurrent portion of long-term obligations	6,139,410	8,243,633	113,754,296	-	2,819,054	102,537	-	131,058,930
Net OPEB liability	3,012,252	-	-	-	-	-	-	3,012,252
Net pension liability	24,650,303	323,672	-	-	-	-	-	24,973,975
Total noncurrent liabilities	33,801,965	8,567,305	113,754,296	-	2,819,054	102,537	-	159,045,157
Total liabilities	40,440,396	9,443,409	125,811,331	-	4,505,385	104,552	-	180,305,073
Deferred inflows of resources								
Deferred for pension/opeb plans	677,222	40,419	-	-	-	-	-	717,641
Net position								
Net investment in capital assets	241,458,892	7,377,349	-	-	36,353,300	-	-	285,189,541
Restricted for								
Debt service	-	-	-	-	2,098,048	-	-	2,098,048
Capital projects	5,313,186	-	-	-	1,020,005	-	-	6,333,191
Infrastructure maintenance	2,856,999	-	1,050,427	-	56,216	-	-	3,963,642
Unrestricted	-	5,975,376	278,295	49,306	1,563,135	83,198	9,882	7,959,192
Total net position	\$ 249,629,077	\$ 13,352,725	\$ 1,328,722	\$ 49,306	\$ 41,090,704	\$ 83,198	\$ 9,882	\$ 305,543,614

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

COUNTY OF OTTAWA
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component units					
Ottawa County Road Commission	\$ 32,331,640	\$ 15,028,135	\$ 31,921,036	\$ 7,514,635	\$ 22,132,166
Ottawa County Central Dispatch Authority	6,034,667	61,229	5,690,534	-	(282,904)
Ottawa County Public Utilities	22,379,933	22,457,066	-	-	77,133
Ottawa County Land Bank Authority	45,383	-	-	-	(45,383)
Ottawa County Office of the Water Resources Commissioner	2,955,835	-	-	4,577,296	1,621,461
Ottawa County Brownfield Redevelopment Authority	80,431	4,297	-	-	(76,134)
Ottawa County Economic Development Corporation	-	-	-	-	-
Total component units	63,827,889	37,550,727	37,611,570	12,091,931	23,426,339

(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 SEPTEMBER 30, 2019

	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	Ottawa County Brownfield Redevelopment Authority	Ottawa County Economic Development Corporation	
Changes in net position								
Net (expense) revenue	\$ 22,132,166	\$ (282,904)	\$ 77,133	\$ (45,383)	\$ 1,621,461	\$ (76,134)	\$ -	\$ 23,426,339
General revenues								
Property taxes, levied for general purposes	-	-	-	801	-	51,752	-	52,553
Grants and contributions not restricted to specific programs	-	-	-	-	-	77,970	-	77,970
Investment earnings	613,360	92,515	99,213	-	33,890	-	-	838,978
Gain from disposal of capital assets	50,962	-	-	-	-	-	-	50,962
Miscellaneous	113,877	73,756	-	-	-	-	-	187,633
Total general revenues	778,199	166,271	99,213	801	33,890	129,722	-	1,208,096
Change in net position	22,910,365	(116,633)	176,346	(44,582)	1,655,351	53,588	-	24,634,435
Net position, beginning of year, as restated	<u>226,718,712</u>	<u>13,469,358</u>	<u>1,152,376</u>	<u>93,888</u>	<u>39,435,353</u>	<u>29,610</u>	<u>9,882</u>	<u>280,909,179</u>
Net position, end of year	<u>\$ 249,629,077</u>	<u>\$ 13,352,725</u>	<u>\$ 1,328,722</u>	<u>\$ 49,306</u>	<u>\$ 41,090,704</u>	<u>\$ 83,198</u>	<u>\$ 9,882</u>	<u>\$ 305,543,614</u>

(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 SEPTEMBER 30, 2019

1. 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 11 member-elected Board of Commissioners (the "Board") and provides services to its estimated 286,383 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.

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 and discretely presented component units are shown based on their year-end indicated below.

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 September 30 year-end.

The Ottawa County, Michigan Insurance Authority ("OCIA") 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 OCIA is reported in an internal service fund and has a September 30 year-end.

A separate report for the Building Authority and complete financial statements for the OCIA can be obtained from:

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting entity (continued)

Discretely presented component units

The Ottawa County Road Commission (“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 Commission. 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.

Complete financial statements for the Road Commission can be obtained from:

Finance Director, Ottawa County Road Commission
P.O. Box 7392
Grand Haven, MI 49417

The Ottawa County Central Dispatch Authority (“OCCDA”) is governed by an eight-member board with two members appointed by the Ottawa County Board of Commissioners. The OCCDA is fiscally dependent upon the County because it cannot levy taxes or issue bonded debt without approval of the Board. OCCDA 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. Additionally, the economic resources of the OCCDA are almost entirely for the benefit of the Ottawa County residents and it would be misleading to exclude the activity. The OCCDA has a December 31 year-end.

Complete financial statements for the OCCDA can be obtained from:

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

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

Complete financial statements for the System can be obtained from:

Finance Director, Ottawa County Road Commission
P.O. Box 7392
Grand Haven, MI 49417

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting entity (continued)

Discretely presented component units (continued)

The Ottawa County Land Bank Authority (“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 of Commission has enabled the Authority to borrow up to \$50,000 from the County’s Delinquent Tax Revolving fund as needed, interest free. The Authority has a September 30 year-end.

Complete financial statements for the Authority can be obtained from:

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

The Ottawa County Office of the Water Resources Commissioner (“WR 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 WR 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, by formally approving the WR Commissioner’s budget and performing all financial management functions. 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 Board. The full faith and credit of the County may be pledged for the debt of the drainage district. The Office of the Water Resources Commissioner has a September 30 year-end.

Complete financial statements for the WR Commissioner can be obtained from:

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting entity (continued)

Discretely presented component units (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 September 30 year-end.

Complete financial statements for the EDC can be obtained from:

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

The Ottawa County Brownfield Redevelopment Authority (the “BRA”) was established pursuant to the Brownfield Redevelopment Financing Act (Act 381, Public Acts of 1996, as amended) and is separate legal entity. The BRA’s governing board is appointed by the Ottawa County Board of Commissioners. The primary government appoints the voting majority and imposes its will through the approval of all BRA projects. The BRA has a September 30 year-end.

Complete financial statements for the BRA can be obtained from:

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

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. 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 SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide and fund financial statements

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.

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.

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.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The County reports the following major governmental funds:

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 No.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.

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

Community 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.

Substance Use Disorder Fund (2225) – This fund is used to account for monies to provide substance disorder health services within the County. Monies are provided by federal and state 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.

The County also reports the following fund types:

Special Revenue Funds 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.

Capital Projects Funds accounts for construction projects performed on existing County facilities, the purchase of capital equipment and for the construction of County buildings.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the delinquent tax revolving enterprise fund are interest and penalties on delinquent taxes. The principal operating revenues of the County's internal service funds are charges to County departments for equipment amortization, employee benefit programs 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.

Assets, liabilities, and net position or equity

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 also consist of government and corporate debt and equity securities. All investments are recorded at fair value.

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/

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Receivables, payables, and due from other governments (continued)

component units" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

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

Other accounts receivable is shown net of the allowance for estimated uncollectible. For the mental health fund receivables, an allowance of \$121,924 has been established. Additionally, the Mental Health Fund has an allowance of \$968,283 for Medicaid reimbursement not received within 180 days for year end from the Lakeshore Regional Entity. For the jail and inmate housing receivable and various other receivables an allowance of \$247,022 has been established. The health fund receivables also has an allowance of \$117,913.

Property Taxes

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 Recreation, Community Mental Health, the OCCDA, the Road Commission and Cities are levied December 1 (lien date) on property values assessed as of the same date. The taxes levied July 1 are due on September 14 and taxes levied December 1 are due on February 14 of the following year. After the due dates, the applicable property is subject to penalties and interest.

Advances to other funds

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

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.

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 acquisition value (the amount that would

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital assets (continued)

be paid to acquire an asset with an equivalent potential in an ordinary market transaction) 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 estimated useful lives.

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

Self-insurance claims incurred but not reported

At September 30, 2019 the County had 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 September 30 and the Road Commission based on historical trend information, claims reported subsequent to year-end, actuarial valuations and/or professional judgment. Such estimates are included in accounts payable.

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 various maximums. 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. Eligible employees with at least ten years of continuous service are paid for banked 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.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Compensated absences (continued)

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 \$93,077 at September 30, 2019 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. The liability for this balance is recorded in the internal service funds. The County has fully funded its vacation pay liability. The vacation pay expenditure/expense was recorded in each fund, and this amount was recorded in the compensated absence internal service fund. An adjustment was made at September 30, 2019 to reflect the change in the accumulated balance reported in the internal service fund previously included only at the government level of \$3,123,274.

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

The OCCDA'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.

Employee retirement plans

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

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 governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported including bond premiums or net of discounts.

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 expense regardless of fund or activity.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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) 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.

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. Nonspendable 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, and 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.
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 unassigned 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 SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund equity (continued)

Details on the County's fund balance amounts follow:

	General	Community Mental Health	Substance Use Disorder	Nonmajor Governmental Funds	Total
Nonspendable:					
Inventory and prepaid expenditures	\$ 160,832	\$ 146,915	\$ -	\$ 332,877	\$ 640,624
Long-term advances to component units	325,000	-	-	-	325,000
Total Nonspendable	\$ 485,832	\$ 146,915	\$ -	\$ 332,877	\$ 965,624
Restricted:					
Special Millage					
Parks and Recreation millage - Fund 2081	-	-	-	2,015,498	2,015,498
CMH Millage - Fund 2221	-	-	-	1,448,280	1,448,280
Donations:					
Canines	10,579	-	-	-	10,579
Circuit Court Learning Center	13,212	-	-	-	13,212
Dive Team	75	-	-	-	75
HAZMAT	17,521	-	-	-	17,521
Non-motorized Pathways	24,270	-	-	-	24,270
Spoonville Trail	26,587	-	-	-	26,587
Sheriff Honor Guard	1,272	-	-	-	1,272
Sheriff Monument	7,274	-	-	-	7,274
Sheriff Victim's Advocates	7,293	-	-	-	7,293
DEI Office Donations	163,323	-	-	-	163,323
Pathways to Better Health - Fund 2210	-	-	-	547,803	547,803
Grants:					
IRS Asset Forfeiture	-	-	-	37,724	37,724
Marriage Counseling	145,267	-	-	-	145,267
Road Salt Management	28,326	-	-	-	28,326
Sheriff Training	27,170	-	-	-	27,170
Essential Local Public Health Grant - Fund 2210	-	-	-	27,836	27,836
Community Mental Health - Fund 2220	-	496,623	-	-	496,623
Substance Use Disorder - Fund 1010 & 2225	293,825	-	10,300	-	304,125
Other Governmental Grants - Fund 2180	-	-	-	279,877	279,877
State of Michigan Public Act Restrictions:					
Jail Booking Fees	272,930	-	-	-	272,930
Stabilization - Fund 2570	9,255,217	-	-	-	9,255,217
Concealed Pistol Licensing - Fund 2631	-	-	-	197,443	197,443
Homestead Property Tax - Fund 2550	-	-	-	43,242	43,242
Register of Deeds Technology - Fund 2560	-	-	-	863,538	863,538
Total Restricted	\$ 10,294,141	\$ 496,623	\$ 10,300	\$ 5,461,241	\$ 16,262,305

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund equity (continued)

	General	Community Mental Health	Substance Use Disorder	Nonmajor Governmental Funds	Total
Committed					
Aerial Survey	\$ 438,253	\$ -	\$ -	\$ -	\$ 438,253
Infrastructure - Fund 2444	747,976	-	-	-	747,976
Innovation Fund	668,868	-	-	-	668,868
Mental Health Programs	581,275	-	-	-	581,275
Red Pine Timber Sales	167,909	-	-	-	167,909
Solid Waste Clean-Up - Fund 2271	2,924,913	-	-	-	2,924,913
Substance Abuse	799,480	-	-	-	799,480
Technology Improvements	384,746	-	-	-	384,746
Voting Machines	149,302	-	-	-	149,302
Defined Benefit Retirement Plan Closure Fund 2970	3,343,559	-	-	-	3,343,559
Capital Improvement - Fund 4020	-	-	-	3,171,719	3,171,719
Building Authority - Fund 4690	-	-	-	483,734	483,734
Farmland Preservation - Fund 2340	-	-	-	497	497
Total Committed	\$ 10,206,281	\$ -	\$ -	\$ 3,655,950	\$ 13,862,231
Assigned					
4 C Program	\$ 132,966	\$ -	\$ -	\$ -	\$ 132,966
Community Corrections	106,695	-	-	-	106,695
M231 Race	5,364	-	-	-	5,364
Memorial Garden	1,302	-	-	-	1,302
Planning Commission	134,888	-	-	-	134,888
Strategic Planning Consultant Fees	250	-	-	-	250
Succeeding Year's Budget Deficit	1,000,000	-	-	-	1,000,000
Technology Forum	6,266	-	-	-	6,266
Water Quality Forum	671	-	-	-	671
Child Care - Fund 2920	-	-	-	1,991,315	1,991,315
Health - Fund 2210	-	-	-	1,319,084	1,319,084
Landfill Tipping Fees - Fund 2272	-	-	-	1,315,867	1,315,867
Total Assigned	\$ 1,388,402	\$ -	\$ -	\$ 4,626,266	\$ 6,014,668

Comparative data

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.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information

The General, Special Revenue, Debt Service, Capital Projects, and Permanent funds are under formal budgetary control. Formal budgetary integration is used as a management control device during the year for governmental funds. While formal budget integration is not used for other funds, informational summaries are prepared and presented to the Board for consideration for internal service and 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 Fiscal Services Director presents the budget requests for the succeeding fiscal year to the County Administrator in July. The County Administrator, Fiscal Services Director and Assistant Fiscal Services Director meet with department heads and elected officials during July to review and discuss the requested revenue and expenditures levels. A proposed budget with balancing options for all funds is presented to the Finance Committee in August, then made available to the public to review. A public hearing and formal budget presentation is held at the first board meeting in September to provide any county resident with the 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 last Board meeting in September.

Budgetary control over expenditures is maintained on a departmental basis, which is the legal level of control. Expenditures may not legally exceed budgeted amounts and certain Special Revenue fund 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.

Budgets for the current year are continually reviewed for any required revisions of original estimates. Proposed increases or reductions in appropriations may not be made without review by the Finance Committee and approval by the Board, with certain exceptions. The Board has delegated authority to the County Administrator to approve budget transfers between departments within a fund if the amount to be transferred does not exceed \$50,000. 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 Board.

Excess of expenditures over appropriations

During the year ended September 30, 2019, the County incurred the following expenditures in budgetary funds which were in excess of the amounts appropriated:

	Final Budget	Actual	Variance
Community Mental Health Millage Fund			
Mental Health Millage	2,732,169	2,739,552	(7,383)

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS

Primary government

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

	Primary Government	Component Units	Fiduciary Funds	Total
Statement of net position				
Cash and pooled investments	\$ 79,894,745	\$ 66,380,695	\$ 40,481,908	\$186,757,348
Investments	43,841,494	-	6,099,861	49,941,355
Total	123,736,239	66,380,695	46,581,769	236,698,703
Separate disclosure				
Ottawa County Road Commission	-	(37,106,698)	-	(37,106,698)
Ottawa County Central Dispatch Authority	-	(5,838,726)	-	(5,838,726)
Ottawa County Other Post-Employment Benefit Plan	-	-	(6,099,861)	(6,099,861)
Ottawa County Insurance Authority	(44,293,485)	-	-	(44,293,485)
Year end and custodial difference				
Ottawa County Public Utilities System	-	(21,281,275)	-	(21,281,275)
Balance in disclosure	\$ 79,442,754	\$ 2,153,996	\$ 40,481,908	\$122,078,658
Cash on hand				\$ 16,200
Deposits				71,417,234
Investments				50,645,224
Disclosure				<u>\$ 122,078,658</u>

Deposits

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. 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 credit worthiness analysis. As of September 30, 2019, the County's bank balance (including certificates of deposit) was \$65,550,904 and of that \$62,548,713 was uninsured and uncollateralized. The amount above for the County Other Post-Employment Benefit Plan includes a cash component of \$255.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Investments

The County categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of September 30, 2019:

- The Ottawa County Investment Pool investments are valued using either quoted market prices (Level 1 inputs) or a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs to determine the fair value of the securities making up the investment fund/pool (Level 2 inputs).
- The County does not have any investments which are valued based on significant unobservable inputs (Level 3 inputs).

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 County chooses to disclose its investments by weighted average maturity. As of September 30, 2019, the County had the following investments:

Investment Type	Fair Value	Moody's or S&P Rating	Weighted Avg Maturity (year)	Level
MiClass	\$ 16,035,083	AAAm	N/A	2
Agency - FAMCA	1,000,170	AA+	1.4822	2
Agency - FFCB	1,004,390	AA+	4.8795	2
Agency - FHLB	3,034,067	AA+	2.4795	2
Agency - FHLMC	3,232,422	AA+	2.3671	2
Agency - FNMA	3,989,020	AA+	0.9918	2
Municipal Bond	5,556,043	AA+,AA-,Aa1,Aa2	1.5397	2
Treasury Notes	16,794,030	Aaa	3.6356	2
	\$ 50,645,224			

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Primary Government (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. To reduce custodial risk further, the County's investment policy requires that all trades of marketable securities be executed by delivery versus payment to ensure that securities are deposited in an eligible financial institution prior to the release of funds. As of September 30, 2019, the County's investments in treasuries, U.S. government agency securities, marketable CDs and municipal bonds were held in third-party safekeeping in the County's name. The MiClass investment listed in the Ottawa County Investments as of September 30, 2019 chart of \$16,035,083 is a pooled account similar to a mutual fund for which the County's custodial credit risk exposure cannot be determined because the investment does not consist of specifically identifiable securities.

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 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. Investment ratings are identified in the Ottawa County Investment as of September 30, 2019 chart.

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. Investment balances by investment type are identified in the Ottawa County Investments as of September 30, 2019 chart.

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 weighted average maturity of each type of investment are identified in the Ottawa County Investments as of September 30, 2019 chart.

Foreign Currency Risk. The County's investment policy is silent regarding foreign currency risk. Management believes the County's exposure to foreign currency risk is immaterial.

Ottawa County Other Post-Employment Benefit Plan ("OPEB Plan")

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 OPEB Plan held the following investments as of September 30, 2019:

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Other Post-Employment Benefit Plan (“OPEB Plan”)

	Market Value	Investment Maturities (fair value by years)			
	(Fair Value)	Less than 1	1-5	6-10	over 10
US Gov't Notes & Bonds	\$ 805,491	\$ -	\$ 531,597	\$ 273,894	\$ -
Corporate Bonds	848,410	75,019	639,421	133,970	-
Total Gov't Notes & Bonds	<u>1,653,901</u>	<u>75,019</u>	<u>1,171,018</u>	<u>407,864</u>	<u>-</u>
Mutual Funds					
MM Funds-Taxable	294,642				
MF-Fixed Income	130,798				
MF-Equity	1,254,351				
MF-Intl	299,500				
Exchange Traded Fds-Equity	<u>2,352,526</u>				
Total Mutual Funds	<u>\$ 4,331,817</u>				
Total held by OPEB	<u>\$ 5,985,718</u>				
Outstanding Deposit	<u>\$ 113,888</u>	Received by Greenleaf Trust in October			
TOTAL	<u>\$ 6,099,606</u>				

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. Of the \$5,985,718 of investments, the County has custodial credit risk of \$1,653,901 because the related securities are uninsured, unregistered and held by the government’s brokerage firm which is also the counterparty for these particular securities. Of the above investments, \$4,331,817 is invested in mutual funds for which the County’s custodial credit risk exposure cannot be determined because the mutual funds do not consist of specifically identifiable securities.

Credit Risk. At September 30, 2019, U.S. Government Notes & Bonds, Corporate Bonds and Mutual Fund-Fixed Income were rated by Standard & Poors as follows:

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Other Post-Employment Benefit Plan (OPEB Plan) (continued)

S&P Rating	Fair Value
AAA	\$ 24,949
AA, AA-, AA+	1,039,784
A, A-, A+	440,067
BBB, BBB-, BBB+	279,897
BB-, BB+	-
NR	-
	\$ 1,784,698

Concentration of Credit Risk. The County's investment policy for the OPEB 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.

Foreign Currency Risk. The County's investment policy is silent regarding foreign currency risk. The OPEB Plan has mutual funds with a fair value of \$299,500 containing international equities involving numerous currencies. Management believes the County's exposure to foreign currency risk from these equities is immaterial.

The OPEB Plan categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The OPEB Plan has the following recurring fair value measurements as of September 30, 2019:

- The money market accounts, fixed income, domestic equity, exchange traded, and equity mutual funds are valued using quoted market prices (Level 1 inputs).
- The OPEB plan had no investments which are valued based on significant other observable inputs (Level 2 inputs).
- The OPEB Plan had no investments which are valued based on significant unobservable inputs (Level 3 inputs).

Blended Component Units

Ottawa County Insurance Authority ("OCIA")

The OCIA's investments, including its cash and cash equivalents, are held in a trust account at local banks. Public Act 218 of 1956 (the Insurance Code of 1956) establishes asset requirements for domestic insurers. Qualified assets as defined thereunder include investments in domestic and foreign stocks, bonds, and

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Insurance Authority (“OCIA”)

other indebtedness of solvent corporations as approved by the insurer’s governing body entrusted with its investments, subject to certain percentage of portfolio limitations. Generally, the statute does not prohibit investments in any asset otherwise permitted to be held by any other person or corporation under Michigan laws. All of the OCIA’s investments comply with State statutes.

Custodial Credit Risk. The OCIA’s cash and cash equivalents are money market funds that amounted to \$451,991 and \$951,727 at September 30, 2019 and 2018, respectively. The money market funds are rated AAAM by S&P and are not subject to custodial risk categorization because they are not evidenced by a specific security. At September 30, 2019 and 2018, the OCIA did not have any custodial credit risk on its remaining investments.

The cost and estimated fair values of unrestricted investments in debt securities and mutual funds at September 30, 2019 are summarized as follows:

	Cost	Unrealized		Fair Value
		Gains	Losses	
Debt Securities				
Federal agency mortgage-backed	\$ 225,423	\$ -	\$ 6,101	\$ 219,322
Federal agency collateralized mortgage Obligation	164,495	-	2,697	161,798
Federal agency notes	148,829	915	-	149,744
U.S. Treasury notes	3,274,975	110,929	-	3,385,904
Asset-backed securities	1,373,775	19,864	-	1,393,639
Corporate notes	5,361,498	19,344	-	5,380,842
Mutual funds				
Bond	3,464,425	113,045	-	3,577,470
Equity	18,087,447	3,845,361	-	21,932,808
Exchange-traded funds				
Bond	660,223	2,903	-	663,126
Equity	1,916,004	17,659	-	1,933,663
Total	\$ 34,677,094	\$ 4,130,020	\$ 8,798	\$ 38,798,316

The calculation of realized gains and losses is independent of the calculation of net change in the fair value of investments. Unrealized gains and losses on investments sold in the current year that had been held for more than one year were included in the net change reported in the current and prior years.

Interest Rate Risk. The OCIA does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The OCIA had the following investments and maturities in debt securities (none of which were callable) as of September 30, 2019:

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Insurance Authority (OCIA) (continued)

	<u>Cost</u>	<u>Fair Value</u>	<u>Investment Maturities (fair value by year)</u>			
			<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Over 10</u>
Federal agency mortgage-backed	\$225,423	\$219,322	\$ -	\$ -	\$219,322	\$ -
Federal agency collateralized mortgage obligation	164,495	161,798	-	161,798	-	-
Federal agency notes	148,829	149,744	149,744	-	-	-
U.S. Treasury notes	3,274,975	3,385,904	-	3,385,904	-	-
Asset-backed	1,373,775	1,393,639	-	1,184,951	208,688	-
Mutual funds - bonds	3,464,425	3,577,470	-	-	3,577,470	-
Exchange-traded - bonds	660,223	663,126	-	-	663,126	-
Corporate notes	5,361,498	5,380,842	387,125	4,993,717	-	-
Total	\$14,673,643	\$14,931,845	\$536,869	\$9,726,370	\$4,668,606	\$ -

Credit Risk. Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligation. The OCIA's investment policy prohibits investments in notes or bonds rated below investment grade. As of September 30, 2019, the OCIA's investments in federal agency mortgage-backed securities, federal agency collateralized mortgage obligations, federal agency notes, U.S. Treasury notes, and asset-backed securities were rated AAA by Moody's. Bond mutual funds of \$1,297,752, \$1,300,856 and \$978,862 were rated three star, two star and five star by Morningstar. Exchange-traded bond funds were not rated. The OCIA's investments in corporate bonds were rated by Moody's as follows (unless otherwise noted):

<u>Rating</u>	<u>Fair Value</u>
AAA	\$ 224,057
AA3	239,802
AA2	41,090
A3	875,409
A2	1,889,973
A1	1,044,344
BAA2	434,457
BAA1	295,606
BAA3	59,971
BA1	200,263
BBB (S&P)	75,870
	<u>\$ 5,380,842</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Insurance Authority (OCIA) (continued)

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the OCIA's investment in a single issuer. The OCIA's investment policy stipulates that investment managers may not invest more than 5% of the domestic equity, international equity or fixed income portfolio assets in the securities of one issuer at time of purchase, nor in more than 5% of the outstanding securities of one issuer. Excluding U.S. government guaranteed investments, mutual funds, and pooled investments, the OCIA had no investment in a single issuer that exceeded 5% of total investments at September 30, 2019.

Foreign Currency Risk. Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair value of an investment or deposit. The OCIA's investment policy permits investing in foreign publicly held stocks, mutual funds, ETFs and other pooled investments. At September 30, 2019, the OCIA had International Equity mutual funds with a total fair market value of \$4,624,957.

The OCIA categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The OCIA has the following recurring fair value measurements as of September 30, 2019:

- The money market accounts, bond mutual funds, and equity mutual funds are valued using quoted market prices (Level 1 inputs).
- The debt securities are valued using a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs to determine the fair value of the securities making up the investments fund/pool (Level 2 inputs).
- The OCIA had no investments which are valued based on significant unobservable inputs (Level 3 inputs).

Restricted Investments

In 1998, to comply with Michigan Insurance Bureau regulations, the OCIA transferred certain investments – i.e., U.S. Treasury Notes – to the Michigan Department of Treasury as security for the benefit of the OCIA'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 September 30, 2019, are as summarized below:

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Insurance Authority (OCIA) (continued)

<u>Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Face Value</u>	<u>Fair Value</u>	
				<u>2019</u>	<u>2018</u>
U.S. Treasury Notes	2/15/2019	2.75%	\$440,000	\$ -	\$440,605
U.S. Treasury Notes	10/31/2019	1.25%	920,000	-	905,981
U.S. Treasury Notes	4/30/2020	1.38%	500,000	498,545	489,203
U.S. Treasury Notes	8/15/2020	2.63%	445,000	447,933	443,436
U.S. Treasury Notes	5/15/2021	3.13%	445,000	454,799	447,882
U.S. Treasury Notes	8/31/2021	2.00%	470,000	472,878	458,485
U.S. Treasury Notes	10/31/2021	1.25%	440,000	436,425	418,818
U.S. Treasury Notes	11/15/2021	2.00%	340,000	342,557	330,982
U.S. Treasury Notes	4/30/2022	1.88%	1,000,000	1,006,719	964,773
U.S. Treasury Notes	12/31/2022	2.63%	1,360,000	1,383,322	-
Total				<u>\$5,043,178</u>	<u>\$4,900,165</u>

Discretely Presented Component Units

Ottawa County Road Commission (“Road Commission”)

The Road Commission reported cash and pooled investments of \$37,127,453 at September 30 2019. All cash and pooled investment accounts are managed by the Ottawa County Treasurer in the name of the Road Commission. The balance consisted of the following:

	<u>Cash and Investments</u>
Governmental fund	
Deposits	\$ 9,754,601
Investments	<u>27,352,097</u>
Total	<u>\$37,106,698</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Road Commission (“Road Commission”) (continued)

Deposits

The deposits are in financial institutions located in Michigan in varying amounts. State law and Ottawa County policy limits the Road Commission’s investing options to financial institutions located in Michigan. All accounts are in the name of the Road Commission. They are recorded in Road Commission records at fair value. Interest is recorded when earned.

Deposit risk

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Commission’s deposits may not be returned. State law does not require, and Ottawa County does not have, a policy for deposit custodial credit risk. As of year-end, \$10,872,736 of the Road Commission’s bank balance of \$11,122,736 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

Investments

The Road Commission chooses to disclose its investments by specifically identifying each. As of year-end, the Commission had the following investment:

	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
MBIA Michigan Class	N/A	\$27,352,097	AAAm	S&P

Investment risk

Interest Rate Risk. State law and Ottawa County policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. Ottawa County’s investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity date for each investment is identified above for investments held at year-end. There is no stated maturity date for the Road Commission’s investment in MBIA Michigan Class identified above.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. Ottawa County’s investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment is identified above for investments held at year-end.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Road Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and Ottawa County does not have, a policy for investment custodial credit risk. Of the above investments in MBIA Michigan Class, the Road Commission’s custodial credit risk exposure cannot be determined because the investment fund does not consist of specifically identifiable securities.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Road Commission (“Road Commission”) (continued)

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. Ottawa County’s investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

The Road Commission categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Road Commission has the following recurring fair value measurements as of year-end.

- The Road Commission does not have any investments valued using quoted market prices (Level 1 inputs).
- The MBIA Michigan Class investment is valued using a pricing model utilizing observable fair value measures of fund investments and other observable inputs to determining the fair value of the securities making up the investment fund (Level 2 inputs).
- The Road Commission does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

Ottawa County Central Dispatch Authority (“OCCDA”)

OCCDA reported cash and pooled investments of \$5,838,726 at December 31 2018. The balance consisted of the following:

Deposits	\$2,091,379
Investments	3,747,247
Petty cash	<u>100</u>
Total	<u>\$5,838,726</u>

Deposits

The deposits are in financial institutions located in Michigan. State policy limits the OCCDA’s investing options to financial institutions located in Michigan. All accounts are in the name of the OCCDA. They are recorded in OCCDA records at fair value. Interest is recorded when earned.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the OCCDA’s deposits may not be returned. State law does not require, and the OCCDA does not have, a policy for deposit custodial credit risk. As of year-end, \$1,354,148 of the OCCDA’s bank balance of \$2,108,973 was uninsured and uncollateralized.

Investments

The OCCDA chooses to disclose its investments by specifically identifying each. As of year-end, the OCCDA had the following investments:

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Central Dispatch Authority (“OCCDA”) (continued)

	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
Money Markets	n/a	\$324,580	AAAm	S&P
FHLMC 2.00%	10/28/2019	349,408	AA+	S&P
Asset Backed Securities:				
FNMA 2.5%	11/25/1947	327,055	Unrated	
FNMA 2.5%	11/25/1947	118,017		
FNMA 2.0%	6/25/1939	156,606	Unrated	
FNMA 3.0%	3/25/1944	313,189	Unrated	
FNMA 2%	6/1/2023	371,083	Unrated	
FNMA 3%	3/25/1942	105,028	Unrated	
FNMA 2%	12/25/1942	141,353	Unrated	
FHLMC 3.0%	7/15/1931	177,737	Unrated	
FHLMC 3.5%	4/15/1944	195,254	Unrated	
FHLMC 2.0%	10/15/1946	198,182	Unrated	
GNMA 3.0%	7/16/1940	169,040	Unrated	
GNMA 3.5%	4/16/1941	192,372	Unrated	
GNMA 2.5%	1/20/1947	217,221	Unrated	
GNMA 2.5%	3/20/1947	172,300	Unrated	
GNMA 2.25%	3/20/1947	<u>218,822</u>	Unrated	
 Total		 <u><u>\$3,747,247</u></u>		

The OCCDA categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The OCCDA has the following recurring fair value measurements as of year-end.

- The money market account is valued using quoted market prices (Level 1 inputs).
- The GNMA, FNMA, and FHLMC securities are valued using a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs to determine the fair value of the securities making up the investments fund/pool (Level 2 inputs).
- The OCCDA has no investments that report fair value based on significant unobservable inputs (Level 3 inputs).

The aforementioned investments do not include certificates of deposit which are classified as deposits for risk identification purposes.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Central Dispatch Authority (“OCCDA”) (continued)

Investment risk

Interest Rate Risk. State law and OCCDA policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies.

The OCCDA’s investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity date for each investment is identified above for investments held at year-end.

Credit Risk. State law limits investments to specific securities as identified in Note 1 of the summary of significant accounting policies. The investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment is identified above for investments held at year-end.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the OCCDA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the OCCDA does not have a policy for investment custodial credit risk. The OCCDA had custodial credit risk totaling \$3,422,667 at year-end because the related securities were held by the government’s brokerage firm which is also the counterparty. At year-end, the OCCDA had \$324,580 invested in money market mutual funds for which custodial credit risk exposure could not be determined because the mutual funds did not consist of specifically identifiable securities.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The OCCDA’s investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

Ottawa County Public Utilities System (“System”)

All cash and temporary investment accounts are managed by the Ottawa County Treasurer. Balances reported on the financial statements consist of the following at year-end:

	Cash and <u>Investments</u>
Deposits	\$ 2,649,518
Certificates of deposit	11,350,000
Temporary investments	<u>7,281,757</u>
 Total cash and temporary investments	 <u><u>\$ 21,281,275</u></u>

Deposits

The deposits are in financial institutions located in Michigan in varying amounts. State law and Ottawa County policy limits the System’s investing options to financial institutions located in Michigan. All accounts are in the name of the System and are recorded in the System’s records at fair value. Interest is recorded when earned.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Public Utilities System (“System”) (continued)

Deposit risk

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the System’s deposits may not be returned. State law does not require, and Ottawa County does not have, a policy for deposit custodial credit risk. As of year-end, \$10,944,237 of the System’s bank balance of \$14,044,237 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

Investments

The System chooses to disclose its investments by specifically identifying each. As of year-end, the System had the following investment:

	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
MBIA Michigan Class	N/A	\$7,281,757	AAAm	S&P

Investments do not include certificates of deposit which are classified as deposits for risk identification purposes.

Investment Risk

Interest Rate Risk. State law and Ottawa County policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. Ottawa County’s investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity rate for each investment is identified above for investments held at year-end. There is no stated maturity date for the System’s investment in MBIA Michigan Class identified above.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. Ottawa County’s investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment is identified above for investments held at year-end.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and Ottawa County does not have, a policy for investment custodial credit risk. Of the above investments in MBIA Michigan Class, the System’s custodial credit risk exposure cannot be determined because the investment fund does not consist of specifically identifiable securities.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. Ottawa County’s investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Public Utilities System (“System”) (continued)

The System categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The System has the following recurring fair value measurements as of year-end.

- The System does not have any investments valued using quoted market prices (Level 1 inputs).
- The MBIA Michigan Class investment is valued using a pricing model utilizing observable fair value measures of fund investments and other observable inputs to determining the fair value of the securities making up the investment fund (Level 2 inputs).
- The System does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

Remaining Discretely Presented Component Units

The remaining component units reported cash and pooled investments of \$23,435,271 at their year-ends. All cash and pooled investment accounts are in the name of the Ottawa County Treasurer and a specific fund or common account at component unit year-ends. Cash and pooled investments of the Ottawa County Public Utilities System at September 30, 2019 were held in the name of the Ottawa County Public Utilities system. Cash and pooled investments are recorded in component unit records at fair value. Reported balances of cash and pooled investments were as follows:

Component unit	Amount
Ottawa County Public Utilities System – 12/31/2018	\$21,281,275
Ottawa County Land Bank Authority – 9/30/19	49,306
Ottawa County Office of the Water Resources Commissioner – 9/30/19	2,009,595
Ottawa County Brownfield Redevelopment Authority – 9/30/19	85,213
Ottawa County Economic Development Corporation – 9/30/19	<u>9,882</u>
 Total	 <u><u>\$23,435,271</u></u>

The remaining component units categorize their fair value measurements of cash and pooled investments with the Ottawa County Treasurer within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. DEPOSITS AND INVESTMENTS (continued)

Discretely Presented Component Units (continued)

The remaining component units have the following recurring fair value measurements for their participation in the Ottawa County cash and pooled investments as of their year-ends:

- The Ottawa County cash and pooled investments are valued using either quoted market prices (Level 1 inputs) or a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs to determine the fair value of the securities making up the investment fund/pool (Level 2 inputs).
- The Ottawa County cash and pooled investments does not consist of any investments which are valued based on significant unobservable inputs (Level 3 inputs).

Deposit and Investment Risk. For remaining component unit cash and pooled investments held by Ottawa County, the deposit and investment risks can be determined for Ottawa County as a whole, but cannot be separately identified for the remaining component units. The Ottawa County investment pool is unrated. Specific disclosure regarding Ottawa County deposits and investments is provided above.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

4. DEFERRED INFLOWS OF RESOURCES

On the governmental funds balance sheet, the aggregate deferred inflows represent items that will be recognized as an inflow of resources (revenue) in future periods. They are as follows:

	<u>General</u>	<u>Nonmajor Governmental Funds</u>
2019 Property Taxes:		
Primary Government	\$ 1,603,608	\$ -
Delinquent Property Taxes:		
Primary Government	43,960	4,214
Ottawa County Road Commission	3,710	-
Ottawa County Central Dispatch Authority	5,781	-
Survey & Remonumentation	874,531	-
Unavailable Receivables	<u>433,512</u>	<u>485,980</u>
 Total	 <u>\$ 2,965,102</u>	 <u>\$ 490,194</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

Primary government

	Beginning of Year	Additions	Deductions	End of Year
Capital assets, not being depreciated:				
Land	\$ 55,811,543	\$ 6,552,939	\$ -	\$ 62,364,481
Construction in progress	419,737	2,206,348	419,737	2,206,348
Total capital assets, not being depreciated	56,231,280	8,759,287	419,737	64,570,829
Capital assets, being depreciated:				
Land improvements	29,888,548	1,043,631	40,130	30,892,049
Buildings and improvements	101,122,739	3,389,000	-	104,511,739
Equipment	28,344,722	3,636,040	2,230,275	29,750,487
Total assets, being depreciated	159,356,009	8,068,671	2,270,405	165,154,275
Less accumulated depreciation for:				
Land improvements	14,709,318	1,242,542	-	15,951,860
Buildings and improvements	45,512,722	3,443,463	-	48,956,185
Equipment	21,004,006	2,501,061	2,155,187	21,349,880
Total accumulated depreciation	81,226,046	7,187,066	2,155,187	86,257,925
Net capital assets, being depreciated	78,129,963	881,605	115,218	78,896,350
Net governmental activities capital assets	\$134,361,243	\$ 9,640,892	\$ 534,956	\$143,467,179

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

Governmental activities:

Judicial	\$ 6,342
General Government	3,969,893
Public Safety	56,831
Public Works	145,937
Health and Welfare	78,160
Culture and Recreation	1,173,637
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the net position	<u>1,756,266</u>

Total depreciation expense - governmental activities \$7,187,066

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

5. CAPITAL ASSETS (continued)

Discretely presented component units

	Beginning of Year	Additions	Deductions	End of Year
Capital assets, not being depreciated:				
Land	3,461,915	-	-	3,461,915
Construction in progress	378,961	707,202	189,079	897,084
Total capital assets, not being depreciated	3,840,876	707,202	189,079	4,358,999
Capital assets, being depreciated:				
Buildings	17,667,428	126,362	-	17,793,790
Equipment	45,543,873	1,877,121	1,193,727	46,227,267
Infrastructure	451,872,356	29,108,522	-	480,980,878
Total assets, being depreciated	515,083,657	31,112,005	1,193,727	545,001,935
Less accumulated depreciation for:				
Buildings	5,045,544	335,131	-	5,380,675
Equipment	28,397,175	2,949,332	1,174,124	30,172,383
Infrastructure	201,391,079	14,539,805	-	215,930,884
Total accumulated depreciation	234,833,798	17,824,268	1,174,124	251,483,942
Net capital assets, being depreciated	280,249,859	13,287,737	19,603	293,517,993
Net component unit's capital assets	284,090,735	13,994,939	208,682	297,876,992

Commitments

The Ottawa County Road Commission had construction and contract commitments of approximately \$8,800,000 at their September 30, 2019 year-end. The Ottawa County Public Utilities System had construction and contract commitments of approximately \$11,938,691 at their December 31, 2018 year-end.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

6. INTERFUND, RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances as of September 30, 2019 are as follows:

Amounts due to and from other funds

	Due from	Due to	
	<u>Other Funds</u>	<u>Other Funds</u>	
Primary Government			
General Fund	\$ 16,793	\$ -	
Ottawa Cty Insurance Auth		16,793	
Internal Service Funds	<u>3,662,617</u>	<u>3,662,617</u>	
	<u>\$ 3,679,410</u>	<u>\$ 3,679,410</u>	

Included in the Internal Service funds is \$3,679,410 which represents funds from the worker's compensation program that are invested by the Ottawa County Insurance Authority.

Receivable and Payable

As of September 30, 2019, certain funds that are a part of the County's pooled cash report negative cash balances. Accordingly, an interfund payable is established in the amount of the negative cash balance and a corresponding interfund receivable is established in the General Fund.

	Interfund Receivable	Interfund Payable	
General Fund	\$ 2,282,174	\$ -	
Nonmajor Governmental Funds		2,282,174	
	<u>\$ 2,282,174</u>	<u>\$ 2,282,174</u>	

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

6. INTERFUND, RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

Long-term advances to and from component units and primary government

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

Interfund transfers within the primary government

	Transfer In:			
	General	Community Mental Health	Nonmajor Governmental Funds	Total
Primary Government				
Transfer out:				
Major Funds:				
General Fund	\$ -	\$ 476,500	\$ 12,870,186	\$ 13,346,686
Delinquent Tax Revolving Fund	-	-	1,668,575	1,668,575
Internal Service Funds	511,130	-	2,740,695	3,251,825
Nonmajor Governmental Funds	198,066.00	1,341,667	566,813	2,106,546
	<u>\$ 709,196</u>	<u>\$ 1,818,167</u>	<u>\$ 17,846,269</u>	<u>\$ 20,373,632</u>
TOTAL	<u>\$ 709,196</u>	<u>\$ 1,818,167</u>	<u>\$ 17,846,269</u>	<u>\$ 20,373,632</u>

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

7. LEASES

Operating leases

The County is a lessee under various operating leases for building and office space. Lease expenditures for the year ended September 30, 2019 amounted to \$39,256. Future minimum lease payments for these leases are as follows:

Year Ending September 30	Amount
2020	\$39,256
2021	33,538
2022	4,948
2023	4,948
	<u>\$82,690</u>

The County is also a lessor under various operating lease agreements for office space and marinas. At September 30, 2019 the original cost of these assets was \$7,769,738 and the accumulated depreciation totals \$3,264,009 leaving a carrying value of \$4,505,730. Lease revenue for the year ended September 30, 2018 was \$556,735. Future lease revenues for these leases are as follows:

Year Ending September 30	Amount
2020	\$ 596,688
2021	587,315
2022	543,894
2023	516,686
2024 - 2030	3,607,839
	<u>\$5,852,422</u>

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

8. LONG-TERM DEBT

The County issues and guarantees bonds for governmental activities and component units to provide funds for the construction of water and sewage disposal systems, drains and buildings, and to refund previously issued bonds. The Primary Government bonds are repaid through designated general funding sources. The private placement bonds for primary government are secured by the limited tax, full faith and credit pledge of the County. The bonds issued for the component units are generally being repaid from funds received from local municipalities in the County and from drain assessments levied. Under the terms of the bond agreements with local municipalities, the local municipalities have pledged their full faith and credit to pay the amounts sufficient to make principal and interest payments on the bonds each year. The County has also pledged its full faith and credit for payment on the bonds, but 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.

Bonds outstanding for which the County has pledged its full faith and credit are as follows:

Purpose	Primary Government	Component Units		Total Ottawa County
		Ottawa County Public Utilities System	Ottawa County Office of the Water Resources Commissioner	
Governmental activities	\$24,700,000	\$ 62,838,501	\$ 1,667,297	\$ 89,205,798
Governmental activities-refunding	8,280,000	50,930,000	-	59,210,000
Private Placements	3,305,000	-	-	3,305,000
Total	<u>\$36,285,000</u>	<u>\$113,768,501</u>	<u>\$ 1,667,297</u>	<u>\$151,720,798</u>

Interest is payable on all bond obligations semi-annually, and principal payments are made annually. The annual debt service requirements to maturity for the bonds outstanding (including component unit notes and capital leases) at year-end are as follows:

Governmental Activities

Year Ending September 30	Primary Government				Component Units	
	Bond		Bond Private Placement		Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$2,780,000	\$1,103,815	\$ 365,000	\$125,590	\$ 8,474,836	\$ 5,229,084
2021	3,165,000	1,012,753	365,000	111,720	7,428,312	4,710,456
2022	3,645,000	903,456	365,000	97,850	7,654,397	4,428,685
2023	4,335,000	771,699	365,000	83,980	7,953,257	4,092,355
2024	16,775,000	1,866,614	1,845,000	210,710	8,080,820	3,810,079
2025-2029	2,280,000	42,180	-	-	39,519,251	14,581,406
2030-2034	-	-	-	-	35,423,975	7,239,545
2035-2039	-	-	-	-	13,699,750	1,844,823
2040-2041	-	-	-	-	2,525,000	111,672
Total	<u>\$32,980,000</u>	<u>\$ 5,700,517</u>	<u>\$ 3,305,000</u>	<u>\$ 629,850</u>	<u>\$130,759,598</u>	<u>\$ 46,048,105</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

8. LONG-TERM DEBT (continued)

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2019 was as follows:

Primary Government			Balance		
	Balance		September 30	Due Within	
	October 1, 2018	Additions	Reductions	2019	One Year
Governmental activities:					
General obligation bonds					
QECB 2013 bonds	\$ 3,670,000	\$ -	\$ 365,000	\$ 3,305,000	\$ 365,000
Pension 2014 bonds	26,345,000	-	1,645,000	24,700,000	1,925,000
2015 Refunding bonds	9,085,000	-	805,000	8,280,000	855,000
Bond premium	1,091,908	-	135,482	956,426	-
Landfill reclamation	4,408,772	82,771	-	4,491,543	1,312,120
Compensated absences	2,960,881	166,019	3,626	3,123,274	3,030,197
Total	<u>\$ 47,561,561</u>	<u>\$248,790</u>	<u>\$2,954,108</u>	<u>\$ 44,856,243</u>	<u>\$7,487,317</u>

Compensated absences are liquidated by the Compensated Absences internal service fund and landfill reclamation is liquidated by the Solid Waste Clean-up fund, a sub-fund of the General Fund.

The reporting entity's legal debt margin at September 30, 2019 is \$1,494,819,740.

Discretely Presented
Component Units

	Beginning			End of	Due within
	of Year	Additions	Reductions	Year	One Year
Governmental activities:					
General obligation bonds	\$107,781,565	\$12,515,000	\$6,235,767	\$114,060,798	\$6,810,213
Special assessment bonds	1,470,000	-	95,000	1,375,000	95,000
Bond premium	6,765,241	758,070	-	7,523,311	-
Notes payable	1,872,761	5,394,000	607,016	6,659,745	969,684
Claims payable	203,813	(23,861)	113,928	66,024	-
Compensated absences	1,361,525	385,915	367,266	1,380,174	195,341
Capital lease	9,244,793	-	580,738	8,664,055	599,939
Total	<u>\$128,699,698</u>	<u>\$19,029,124</u>	<u>\$7,999,715</u>	<u>\$139,729,107</u>	<u>\$8,670,177</u>

During their fiscal year 2016, the Public Utilities System issued \$11,635,000 of refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for debt service. As a result, \$12,925,000 of refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. The refunded bonds of \$12,925,000 are scheduled to be called and paid in full in 2019.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

8. LONG-TERM DEBT (continued)

Changes in long-term liabilities (continued)

The Ottawa County Office of the Water Resources Commissioner also had the following short term-note activity during 2019:

Discretely Presented Component Units

	Balance October 1, 2018	Additions	Reductions	Balance September 30, 2019
Governmental activities:				
Various Drain notes payable, principal payments ranging from \$30,000 to \$150,000, due in 2019, plus interest of 1.69%	\$ 405,000	\$ -	\$ 405,000	\$ -
Various Drain notes payable, principal payments ranging from \$40,000 to \$900,000, due in 2020, plus interest of 1.85%	-	354,000	-	\$ 354,000
	<u>\$ 405,000</u>	<u>\$354,000</u>	<u>\$ 405,000</u>	<u>\$ 354,000</u>

Conduit debt

In 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. Although this debt bears the name of the EDC, the EDC has no obligation for such debt beyond the resources provided by a lease or loan with 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 September 30, 2019, \$3,160,000 was still outstanding.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

9. 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 were not 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 provided municipal water infrastructure to 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 contain the contamination. The County recapped the landfill and enhanced the water filtration system with a project started in 2006. The County is reviewing the feasibility of a soil/bentonite onsite slurry wall and treatment system improvements to minimize additional contamination. 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 the costs of operating, maintaining and improvements to the landfill containment and treatment system are as follows:

Year Ending September 30	Present Value of Estimated Cost
2020	\$1,312,120
2021	316,372
2022	325,005
2023	333,880
2024	343,006
2025-2029	<u>1,861,160</u>
Total	<u>\$4,491,543</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

10. DEFINED BENEFIT PENSION PLAN

County of Ottawa

Plan description

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

Benefits provided

Benefits provided include plans with multipliers ranging from 1.70 to 2.50. Vesting period of 6-10 years. Normal retirement age is 60. Final average compensation is calculated based on a 5 years average.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2018):

Inactive employees or beneficiaries currently receiving benefits	602
Inactive employees entitled but not yet receiving benefits	483
Active employees	500
Total	1,585

Contributions

The County is required to contribute at an actuarially determined rate, which for the current year was \$318 to \$250,376 per month depending on position and classification. Participating employees are required to contribute from 0.00% to 6.99% percent of gross wages to the plan based on position and classification. The contribution requirements of the County are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

Net pension liability

The employer's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date. Amounts due for pension liabilities are liquidated by the Governmental or Proprietary funds from which the related employees' compensation is paid.

The total pension liability in the December 31, 2018 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5% (3-4% for 2014)

Salary Increases: base wage inflation of 3.75% in the long-term (plus merit and longevity from 0-11% based on age) (4.5% for 2014)

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

10. DEFINED BENEFIT PENSION PLAN (continued)

County of Ottawa (continued)

Net pension liability (continued)

Investment rate of return: 7.75%, net of investment expense, including inflation (8.25% for 2014)

Mortality rates used for non-disabled plan member were based on a weighted blend of RP-2014 mortality tables of a 50% male and 50% female blend. Mortality rates for disabled plan member were based on a blend of RP-2014 disabled retire mortality tables of a 50% male and 50% female blend. (1994 group annuity tables for 2014)

The actuarial assumptions used in the valuation were based on the results of the 2015 actuarial experience study.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money Weighted Rate of Return
Global Equity	57.50%	6.27%	3.60%
Global Fixed Income	20.00%	3.43%	0.68%
Real Assets	12.50%	5.48%	0.69%
Diversifying Strategies	10.00%	7.81%	0.78%
Inflation			2.00%
Administrative fee			0.25%
			8.00%

Discount rate. The discount rate used to measure the total pension liability is 8.00%, which did not change from the prior year. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

10. DEFINED BENEFIT PENSION PLAN (continued)

County of Ottawa (continued)

Changes in the net pension liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/17	\$285,995,561	\$236,254,961	\$49,740,600
Changes for the year:			
Service cost	4,134,129	-	4,134,129
Interest	22,495,130	-	22,495,130
Change in benefits	(1,199,051)	-	(1,199,051)
Differences between expected and actual experience	(2,566,233)	-	(2,566,233)
Change in assumptions	-	-	-
Employer contributions	-	7,103,170	(7,103,170)
Employee contributions	-	1,337,895	(1,337,895)
Net investment income	-	(9,184,975)	9,184,975
Benefit payments, including refunds	(13,746,995)	(13,746,995)	-
Administrative expense	-	(456,005)	456,005
Other changes	2	-	2
Net changes	9,116,982	(14,946,910)	24,063,892
Balance at 12/31/18	\$295,112,543	\$221,308,051	\$73,804,492

Sensitivity of the Net Pension Liability to changes in the discount rate

The following presents the net pension liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's net pension liability would be using a discount rate that is 1.00% lower (7.00%) or 1.00% higher (9.00%) than the current rate.

	1% Decrease	Current Discount rate	1% Increase
Total Pension Liability	\$330,347,111	\$295,112,543	\$265,407,261
Fiduciary Net Position	221,308,051	221,308,051	221,308,051
Net Pension Liability	\$ 109,039,060	\$ 73,804,492	\$ 44,099,210

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

10. DEFINED BENEFIT PENSION PLAN (continued)

County of Ottawa (continued)

Pension expense and deferred outflows and deferred inflows of resources related to pensions

For the year ended September 30, 2019, the employer recognized pension expense of \$14,155,922. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 279,884	\$ 1,962,044
Differences in assumptions	2,853,094	-
Excess(deficit) investment returns	17,094,188	-
Contributions subsequent to the measurement date*	5,634,823	-
Total	<u>\$ 25,861,989</u>	<u>\$ 1,962,044</u>

*The amount reported as deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ended 2020.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ (8,013,206)
2021	(1,138,569)
2022	(3,425,682)
2023	(5,687,665)
2022	-
Thereafter	<u>-</u>
Total	<u><u>\$(18,265,122)</u></u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Road Commission

Plan description

The employer’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (“MERS”) of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits provided

Benefits provided include plans with multipliers ranging from 1.7 to 2.50. Vesting period of 6-10 years. Normal retirement age is 60. Final average compensation is calculated based on a 3 years average.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2018):

Inactive employees or beneficiaries currently receiving benefits	138
Inactive employees entitled but not yet receiving benefits	21
Active employees	76
Total	235

Contributions

The Commission is required to contribute a fixed monthly amount of \$154,649 for some employee groups and at an actuarially determined rate of 60.4% of annual covered payroll for other groups depending on position and classification. Participating employees are required to contribute from 3% to 5% percent of gross wages to the plan based on position and classification. The contribution requirements of the Commission are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

Net pension liability

The employer’s net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

The total pension liability in the December 31, 2018 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: base wage inflation of 3.75% in the long-term (plus merit and longevity from 0-11% based on age)

Investment rate of return: 7.75%, net of investment expense, including inflation

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
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10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Road Commission (continued)

Net pension liability (continued)

Mortality rates used for non-disabled plan member were based on a weighted blend of RP-2014 mortality tables of a 50% male and 50% female blend. Mortality rates for disabled plan member were based on a blend of RP-2014 disabled retire mortality tables of a 50% male and 50% female blend. (1994 group annuity tables for 2014)

The actuarial assumptions used in the valuation were based on the results of the 2015 actuarial experience study.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money Weighted Rate of Return
Global Equity	57.50%	6.27%	3.60%
Global Fixed Income	20.00%	3.43%	0.68%
Real Assets	12.50%	5.48%	0.69%
Diversifying Strategies	10.00%	7.81%	0.78%
Inflation			2.00%
Administrative fee			0.25%
Investment rate of return			<u>8.00%</u>

Discount rate. The discount rate used to measure the total pension liability is 8.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Road Commission (continued)

Changes in the net pension liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at January 1, 2018	\$55,892,412	\$33,571,753	\$22,320,659
Changes for the year:			
Service cost	474,692	-	474,692
Interest	4,325,796	-	4,325,796
Change in benefits	-	-	-
Differences between expected and actual experience	(822,290)	-	(822,290)
Change in assumptions	-	-	-
Contributions : employer	-	2,787,632	(2,787,632)
Contributions: employee	-	211,260	(211,260)
Net investment Income	-	(1,286,065)	1,286,065
Benefit payments, including refunds	(4,114,629)	(4,114,629)	-
Administrative expense	-	(64,275)	64,275
Other changes	(2)	-	(2)
Net changes	(136,433)	(2,466,077)	2,329,644
Balance at December 31, 2018	\$55,755,979	\$31,105,676	\$24,650,303

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's net pension liability would be using a discount rate that is 1.00% lower (7.00%) or 1.00% higher (9.00%) than the current rate.

	1% Decrease	Current Discount rate	1 % increase
Total pension liability	\$61,070,478	\$55,755,979	\$51,160,983
Fiduciary net position	31,105,676	31,105,676	31,105,676
Net pension liability	\$29,964,802	\$24,650,303	\$20,055,307

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Road Commission (continued)

Pension expense and deferred outflows and deferred inflows of resources related to pensions

For the year ended September 30, 2019 the employer recognized pension expense of \$3,304,753. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 1,427	\$574,324
Differences in assumptions	-	-
Excess(deficit) investment returns	2,389,699	-
Contributions subsequent to the Measurement date*	2,055,876	-
Total	<u>\$4,447,002</u>	<u>\$574,324</u>

*The amount reported as deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2019.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ 555,438
2021	6,501
2022	469,942
2023	784,921
2024	-
Thereafter	-
Total	<u>\$1,816,802</u>

Ottawa County Central Dispatch Authority

Plan description

The Authority participates in the Municipal Employees Retirement System ("MERS") of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmich.com.

The defined benefit pension plan is closed to new entrants.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Central Dispatch Authority (continued)

Benefits provided

Benefits provided include a multiplier of 2% per year of service times final average compensation with a vesting period of 10 years. Normal retirement age is 60 with early retirement at 50 with 25 years of service with various benefits. Benefits are calculated using final average compensation of 3 years. Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2017):

Active plan members	4
Inactive employees entitled but not yet receiving benefits	1
Inactive employees or beneficiaries currently receiving benefits	<u>12</u>
Total	17

Contributions

The Authority is required to contribute at an actuarially determined rate of \$9,466 per month for members of the general employee division. General division employees are required to contribute at a rate from 0% to 2% of annual covered payroll to the plan. The contribution requirements of the Authority are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by employment and labor agreements.

Net pension liability

The employer's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

The total pension liability in the December 31, 2017 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.5% (3-4% for 2014)
Salary Increases:	3.75% (4.5% for 2014)
Investment rate of return:	7.75%, net of investment expense, including inflation (8.25% for 2014)

Mortality rates used for non-disabled plan member were based on a weighted blend of RP-2014 mortality tables of a 50% male and 50% female blend. Mortality rates used for disabled plan member were based on a blend of RP-2014 disabled retire mortality tables of a 50% male and 50% female blend of disabled retirees. (1994 group annuity tables is 2014)

The actuarial assumptions used in the valuation were based on the results of the 2015 actuarial experience study.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Central Dispatch Authority (continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money Weighted Rate of Return*</u>
Global Equity	57.50%	6.27%	3.60%
Global Fixed Income	20.00%	3.43%	0.68%
Real Assets	12.50%	5.48%	0.69%
Diversifying Strategies	10.00%	7.81%	0.78%
Inflation			2.00%
Administrative Fee			<u>0.25%</u>
Investment rate of return			<u>8.00%</u>

Discount rate. The discount rate used to measure the total pension liability is 8.00% which remained the same as the prior year. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Central Dispatch Authority (continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/16	\$2,354,640	\$1,931,821	\$422,819
Changes for the Year:			
Service Cost	19,641	-	19,641
Interest	182,896	-	182,896
Change in benefits	-	-	-
Differences between expected and actual experience	32,607	-	32,607
Change in assumptions	-	-	-
Contributions: employer	-	79,884	(79,884)
Contributions: employee	-	5,077	(5,077)
Net Investment income	-	253,346	(253,346)
Benefit payments, incl refunds	(156,525)	(156,525)	-
Administrative expense	-	(4,016)	4,016
Other Changes	-	-	-
Net Changes	78,619	177,766	(99,147)
Balance at 12/31/17	<u>\$2,433,259</u>	<u>\$2,109,587</u>	<u>\$323,672</u>

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's net pension liability would be using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total Pension Liability	\$ 2,650,755	\$ 2,433,259	\$ 2,243,974
Fiduciary Net Position	2,109,587	2,109,587	2,109,587
Net Pension Liability	<u>\$ 541,168</u>	<u>\$ 323,672</u>	<u>\$ 134,387</u>

Pension expense and deferred outflows of resources related to pensions

For the year ended December 31, 2018 the employer recognized pension expense of \$83,893. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

COUNTY OF OTTAWA, MICHIGAN
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10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Central Dispatch Authority (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ -
Differences in assumptions	-	-
Excess (deficit) investment returns	-	40,419
Contributions subsequent to the measurement date*	<u>93,216</u>	<u>-</u>
Total	<u>\$ 93,216</u>	<u>\$ 40,419</u>

* The amount reported as deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending December 31, 2019.

Amounts reported as deferred outflows and inflows of resources related to pensions (excluding contributions subsequent to the measurement date) will be recognized in pension expense as follows:

2019	\$ 9,590
2020	3,013
2021	(32,658)
2022	(20,364)
2023	-
Thereafter	<u>-</u>
Total	<u>\$ (40,419)</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

11. DEFINED CONTRIBUTION PENSION PLAN

Primary Government

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 another 3% for a maximum 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 Board and may be amended by the Board. The plan is administered by MERS. The County and member contributions were \$1,105,403 and \$1,159,336, respectively, for the current year.

Deferred compensation plan

The County offers to their employees several different deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to County 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 County employee contributions for the year ended September 30, 2019 were \$2,207,383 and the County match was \$365,136.

Discretely presented component units

The Ottawa County Central Dispatch Authority's ("OCCDA") 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 OCCDA contributes 2% of each participant's base salary to the plan. The Authority also matches employee contributions up to a total OCCDA contribution of 5%. Employees are required to contribute a minimum of 2% of base pay to the plan. Participating employees are immediately 100% vested in the member's accumulated balance. The plan provisions and contribution amounts were established by the OCCDA Board and may be amended by the OCCDA Board. The plan is administered by MERS. The OCCDA and member contributions were \$87,150 and \$87,170 respectively, for the current year.

The Ottawa County Road Commission ("Commission") provides a defined contribution pension plan for eligible employees excluded from the defined benefit pension plan (externally managed), which provides pension benefits to qualified employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Commission's contribution for employees eligible to participate in the plans vests immediately. The Commission and employees contribute 4% of participant coverage wages. Commission contributions were \$62,841 and participant contributions were \$62,841 to the plan during the year. The plan provisions and contribution amounts were established and may be amended by the Commission.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

11. DEFINED CONTRIBUTION PENSION PLAN

Deferred compensation plan

The OCCDA offers to their employees several different deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to OCCDA 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 OCCDA employee contributions were \$81,185 and OCCDA match was \$18,080 for the current year.

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.

The Commission offers its employees a deferred compensation plan created in accordance with IRS section 457. The plan, available to all Commission employees, permits them to defer a portion of their current salary until future years. A trust has been established for the plan assets and the related assets and liability are not included in the Commission's financial statements.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

12. OTHER POST-EMPLOYMENT BENEFITS

County of Ottawa

Plan description

The County of Ottawa Retiree Medical Plan (The "Plan") is a single-employer plan established and administered by the County of Ottawa and can be amended at its discretion. The Plan is included as an Other Post-Employment Benefits ("OPEB") trust fund in the County's financial statements; a stand-alone financial report has not been issued, but a legal trust has been established for the plan.

Benefits provided

Benefit provisions are established through negotiations between the County and bargaining units and employee groups. Retirees under age 65 hired before January 1, 2008 contribute an amount equal to the Priority Health insured premium rate (which is a combined rate for active and pre-65 retirees). Retirees under 65, hired after January 1, 2008 pay the actuarially determined cost of medical and prescription drug benefits for retirees under age 65. All retirees over 65 pay the insured premium rate applicable to retirees over 65. In addition, retirees under age 65 in certain benefit groups receive a monthly credit that is used to reduce the amount of their contribution. The credit amount for the years of service range from \$4 - \$10 for each year of service with a maximum of \$100 - \$250 per month.

Summary of participants

Membership of the Plan consisted of the following as October 1, 2018:

Retired Plan Members	67
Active Plan Members	<u>837</u>
Total Participants	904

Contributions

The Plan was established and is being funded under the authority of the County Board of Commissioners and under agreements with the unions representing various classes of employees. The Plan's funding policy is that the employer will contribute any required amounts as determined by an annual actuarial valuation. There are no long-term contracts for contributions to The Plan. The Plan has no legally required reserves.

Net OPEB liability

The employer's net OPEB liability was measured as of September 30, 2019. The total OPEB liability was determined by an actuarial valuation as of October 1, 2018 and projected to September 30, 2019 and rolled forward to September 30, 2018. The following actuarial assumptions applied to all periods included in the measurement:

Inflation	Included in rate of return
Salary increases	2.0%
Investment rate of return	5.28% including inflation
Mortality	Pub-2010 Headcount weighted mortality table for General and Public Safety, annuitant and non-annuitant, sex distinct with improvement scale MP-2018

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
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12. OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Liability (continued)

The long-term expected rate of return on retirement plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the retirement plan's target asset allocations of September 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Expected Rate of Return
US stocks	56%	6.3%
International developed stocks	4%	7.0%
Emerging market stocks	5%	8.6%
Bonds	30%	3.2%
Cash	5%	1.9%

The sum of each target allocation times its long-term expected rate is 5.28%.

Discount rate

The discount rate used to measure the total OPEB liability was 5.28%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the most recent recommend contribution expressed as a percentage of covered payroll. Based on those assumptions, the retirement plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that the benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability. The discount rate used for September 30, 2018 actuarial liability was 5.28%.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

12. OTHER POST-EMPLOYMENT BENEFITS (continued)

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	New OPEB Liability (a) - (b)
Balance at September 30, 2018	\$7,163,851	\$5,829,039	\$1,334,812
Changes during the Year			
Service cost	72,568	-	72,568
Interest	379,207	-	379,207
Experience (gains)/losses	(916,876)	-	(916,876)
Change in actuarial assumptions	(936,918)	-	(936,918)
Contributions-employer, including receivable to OPEB trust	-	113,888	(113,888)
Contributions-employee	-	-	-
Contribution to OPEB trust	-	-	-
Contributions/expenses paid from general operating funds	-	2,500	(2,500)
Contributions/benefit paid from general operating funds	-	108,923	(108,923)
Net investment income	-	215,713	(215,713)
Benefit payments; including refunds of employee contributions	(108,923)	(108,923)	-
Administrative expenses	-	(61,534)	61,534
Other changes	-	-	-
Total changes	(1,510,942)	270,567	(1,781,509)
Balanced at September 30, 2019	\$5,652,909	\$6,099,606	\$(446,697)

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the County, calculated using the discount rate of 5.28%, as well as using a discount rate that is 1% higher and lower than base assumptions.

<u>Discount</u>	1% Decrease 4.28%	Current Discount Rate 5.28%	1% Increase 6.28%
Total OPEB Liability	\$6,228,705	\$ 5,652,909	\$ 5,161,410
Plan Fiduciary Net Position	6,099,606	6,099,606	6,099,606
Net OPEB Liability	<u>\$ 129,099</u>	<u>\$ (446,697)</u>	<u>\$ (938,196)</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
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12. OTHER POST-EMPLOYMENT BENEFITS (continued)

Sensitivity of the net OPEB liability to changes in the health cost trend rate

The following presents the net OPEB liability of the County, calculated using the trend rate, as well using a trend rate that is 1% higher and lower than base assumptions.

<u>Trend</u>	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 5,100,867	\$ 5,652,909	\$ 6,308,144
Plan Fiduciary Net Position	6,099,606	6,099,606	6,099,606
Net OPEB Liability	<u>\$ (998,739)</u>	<u>\$ (446,697)</u>	<u>\$ 208,538</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2019 the County recognized OPEB expense of \$88,770. The County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ 2,502,265	\$ 1,107,633
Differences in assumptions	-	1,812,507
Excess (deficit) invest returns	-	200,737
Total	<u>\$ 2,502,265</u>	<u>\$ 3,120,877</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended 30-Sep</u>	<u>Amount Recognized</u>
2020	\$ (113,694)
2021	(113,692)
2022	(43,952)
2023	1,837
2024	(17,191)
Thereafter	<u>(331,920)</u>
	<u>\$ (618,612)</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

12. OTHER POST EMPLOYMENT BENEFITS (continued)

Ottawa County Road Commission

Plan Description and Benefits Provided

The Commission administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides of health insurance premiums for retirees until age 65 (Medicare eligible). The plan was closed to non-bargaining employees hired after September 12, 2013 and bargaining employees hired after May 31, 2016. Benefit provisions are established through negotiations between the Commission and bargaining units and employee groups. The Commission makes 80% of the premium payment to the plan. The Retiree Health Plan does not issue a publicly available financial report but a legal trust has not been established for the plan. The retiree contribution was 20% and a benefit freeze was put in place for bargaining employees hired after May 31, 2016 and non-bargaining employees hired after September 12, 2013.

Membership of the Retiree Health plan consisted of the following at the date of the latest actuarial valuation (September 30, 2017):

Inactive employees or beneficiaries currently receiving benefits	20
Active plan members	86
 Total	 106

Contributions

The contribution requirements of Plan members and the Commission are established and may be amended by the Commission. The actuarially determined contributions are based on the actuarial valuation of the plan. The actual contributions to the plan include benefit costs (80% and 20% made by the Commission and employees respectively) and a contribution to the trust which is made at the discretion of Commission.

Net OPEB Liability

The employer's net OPEB liability was measured as of September 30, 2019 using a method of rolling forward the September 30, 2018 valuation. The total OPEB liability used to calculate the net OPEB liability was determined by an annual actuarial valuation as of that date.

The total OPEB liability in the September 30, 2015 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: implicit in expected payroll increases

Salary Increases: 2.0%

Discount rate: 3.58%

Healthcare cost trend rates: 8.0 initially going down 0.5% per year, reaching a long-term rate of 5.0%

Mortality rates were based on the 2018 IRS Annuitant and Non-Annuitant tables

The actuarial assumptions used in valuation were based on the results of the 2018 actuarial experience study.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

12. OTHER POST EMPLOYMENT BENEFITS (continued)

Ottawa County Road Commission (continued)

Discount rate. The discount rate used to measure the total OPEB liability is 3.58%. The projection of cash flows used to determine the discount rate assumed that the Commission will make annual contributions of \$20,000. Based on this assumption, the plan fiduciary net position was not projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long term expected rate would be used to discount the projected benefits. From the year projected benefits are not projected to be covered by the projected assets (the "depletion date"), projected benefits would be discounted at a discount rate reflecting a 20 year AA/Aa tax exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB Liability. The discount rate utilized for the 2018 valuation was 3%.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan	
		Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at October 1, 2018	\$3,088,405	\$ -	\$3,088,405
Changes for the year:			
Service cost	147,935	-	147,935
Interest	95,543	-	95,543
Change in benefits	-	-	-
Differences between expected and actual experience	(102,526)	-	(102,526)
Change in assumptions	(93,251)	-	(93,251)
Contributions: employer	-	123,112	(123,112)
Contributions: employee	-	-	-
Net investment Income	-	755	(755)
Benefit payments, including refunds	(103,112)	(103,112)	-
Administrative expense	-	(13)	13
Other changes	-	-	-
Net changes	(55,411)	20,742	(76,153)
Balance at September 30, 2019	\$3,032,994	\$20,742	\$3,012,252

Sensitivity of the Net OPEB Liability to changes in the discount rate.

The following presents the net OPEB liability of the employer, calculated using the discount rate of 3%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (2%) or 1% higher (4%) than the current rate.

	1% Decrease	Current Discount rate	1 % increase
Total OPEB liability	\$3,174,610	\$3,012,252	\$2,857,706

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

12. OTHER POST EMPLOYMENT BENEFITS (continued)

Ottawa County Road Commission (continued)

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates.

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate, as well as what the employer's net OPEB liability would be using a rate that is 1 percentage point lower or 1% higher than the current rate.

	<u>1% Decrease</u>	<u>Current Healthcare rate</u>	<u>1 % increase</u>
Total OPEB liability	\$2,730,735	\$3,012,252	\$3,337,941

For the year ended September 30, 2019 the employer recognized OPEB expense of \$383,537.

Deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended September 30, 2019 the employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ -	\$102,898
Differences in assumptions	977,690	-
Excess(deficit) investment returns	-	26
Total	<u>\$977,690</u>	<u>\$102,924</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2020	\$140,769
2021	140,769
2022	140,769
2023	140,767
2024	140,775
Thereafter	<u>170,919</u>
Total	<u>\$874,768</u>

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

13. SELF-INSURANCE

Primary government

The County is self-funded for liability, worker's compensation, and unemployment insurance. The claims liabilities reported at September 30, 2019 are based on the requirements of GASB Statement No.10, 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 ("OCIA") blended component unit accounts for the self-insurance program for municipal excess liability, law enforcement liability, professional liability, and property liability. The OCIA's participating members include the County of Ottawa and the Ottawa County Building Authority blended component unit.

The OCIA 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 OCIA 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 for liability protection. In addition, the OCIA provides coverage above the \$5 million for total aggregate coverage of \$20 million. The property coverage, including loss of income, is \$141,700,000, which is \$3,500,000 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 OCIA. The claim liability for known claims and incurred but not reported claims are determined by an actuary. No annuity contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in the history of the self-insurance program.

The changes in the claims liability for the fiscal year ended September 30, 2019 and the fiscal year ended September 30, 2018 as recorded in the OCIA are as follows:

	Current Year			
	Beginning of Year	Claims and Changes	Claim	End of Year
	Liability	in Estimates	Payments	Liability
2019	\$11,617,435	\$1,775,028	\$587,224	\$12,805,239
2018	10,985,506	1,192,917	560,988	11,617,435

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

13. SELF-INSURANCE (continued)

The County's self-insured worker's compensation program provides Michigan statutorily required coverage for worker's compensation claims. It also provides employer's liability coverage of \$5 million 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 fiscal year ended September 30, 2019 and the fiscal year ended September 30, 2018:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2019	\$759,193	\$ 92,264	\$104,488	\$746,969
2018	727,440	176,424	144,671	759,193

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 Unemployment internal service fund (6772). Unemployment claims are reimbursed to the Michigan Employment Security Commission based on actual claims annually and were \$6,350 and \$11,897 for the fiscal year ended September 30, 2019 and the fiscal year ended September 30, 2018.

Discretely presented component units

The Ottawa County Central Dispatch Authority (OCCDA) is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The OCCDA carried commercial insurance to cover risks of losses. The OCCDA has no settled claims resulting from these risks that exceeded their insurance coverage in any of the past three fiscal years.

Ottawa County Public Utilities System (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, the 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. There were no reductions in insurance coverage from prior years.

The Ottawa County Road Commission (Commission) is exposed to lawsuits and claims. In response to this exposure, the 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 Commission's participation in this pool, the liability of the Commission relative to claims covered by the pool is limited to \$25,000 per occurrence.

The 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.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

13. SELF-INSURANCE (continued)

Discretely presented component units (continued)

The 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 expendable 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. 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 changes in the claims liability for the fiscal year ended September 30, 2019 and the fiscal year ended September 30, 2018 are as follows:

	Beginning of Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim Payments/ <u>Settlements</u>	End of Year <u>Liability</u>
MCRCSIP Liability Plan				
2018	\$ 3,900	\$59,670	\$63,570	\$ -
2019	-	71,762	50,111	21,651
Workers' Compensation Plan				
2018	192,996	84,446	73,629	203,813
2019	203,813	(95,623)	63,817	44,373

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

14. 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. The County has referred these actions to the Ottawa County, Michigan Insurance Authority which has sufficient reserves, excess insurance coverage and available surplus to support these claims and mitigate any effect on the County's financial condition.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

15. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2019, the County provided OCCDA operating grants of \$5,092,179 from the 2018 levy.

During the year ended September 30, 2019, the County provided OCRC operating grants of \$4,363,717 from the 2018 levy.

Ottawa County Public Utilities System ("System") incurred expenses of \$910,000 for wages and equipment provided by the Ottawa County Road Commission, which also provides fiscal and managerial services to the System. At their year-end, the System owed the Ottawa County Road Commission \$5,096 for these goods and services.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

16. TAX ABATEMENTS

The County receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions. Industrial Facilities Tax Exemptions (IFT), entered into under the Plant Rehabilitation and Industrial Development Districts Act PA 198 of 1974, as amended, provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An IFT certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government and is computed at half the local property tax millage rate, amounting to a reduction in property taxes of approximately 50%. The amount of IFT Exemptions for the year ended September 30, 2019 was approximately \$714,000. Of the \$714,000 abated, approximately \$447,000 of the abatements were initiated by various townships in the County and \$267,000 were initiated by various cities in the County.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

17. SUBSEQUENT EVENTS

Subsequent to year end, the County was required to stop all nonessential operations due to the COVID-19 outbreak. Also, subsequent to year end, stock and security values declined substantially. The effect on operations is unknown at the report date.

SUPPLEMENTARY

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 51,439,150	\$ 52,455,975	\$ 52,482,026	\$ 26,051	\$ 48,134,909
Intergovernmental revenues	9,608,468	9,849,616	10,956,292	1,106,676	9,283,389
Charges for services	9,957,930	10,070,630	9,837,137	(233,493)	9,321,660
Fines and forfeits	102,600	102,600	72,221	(30,379)	92,636
Investment earnings (loss)	403,932	403,932	726,308	322,376	666,096
Licenses and permits	383,670	383,670	374,476	(9,194)	379,808
Rental income	2,253,872	2,253,872	2,166,072	(87,800)	1,911,381
Other	711,089	888,753	875,045	(13,708)	801,169
Total revenues	<u>74,860,710</u>	<u>76,409,048</u>	<u>77,489,577</u>	<u>1,080,529</u>	<u>70,591,048</u>
Expenditures					
Current operations					
Legislative	539,899	542,899	535,661	7,238	536,062
Judicial	12,683,844	12,753,014	12,446,039	306,975	13,806,620
General government	15,164,063	15,436,683	14,089,617	1,347,066	13,327,091
Public safety	28,966,355	30,376,233	30,238,530	137,703	28,201,349
Public works	5,428,821	5,929,611	5,808,107	121,504	5,407,463
Health and welfare	1,084,553	1,103,653	787,859	315,794	1,106,546
Community and economic development	1,316,796	1,311,926	1,159,850	152,076	1,253,223
Other expenditures	528,249	128,577	128,249	328	127,116
Total expenditures	<u>65,712,580</u>	<u>67,582,596</u>	<u>65,193,912</u>	<u>2,388,684</u>	<u>63,765,470</u>
Revenues over (under) expenditures	<u>9,148,130</u>	<u>8,826,452</u>	<u>12,295,665</u>	<u>3,469,213</u>	<u>6,825,578</u>
Other financing sources (uses)					
Transfers from other funds	2,025,540	2,734,111	709,196	(2,024,915)	776,865
Transfers to other funds	<u>(12,966,279)</u>	<u>(12,822,239)</u>	<u>(12,721,686)</u>	<u>100,553</u>	<u>(10,154,632)</u>
Total other financing sources (uses)	<u>(10,940,739)</u>	<u>(10,088,128)</u>	<u>(12,012,490)</u>	<u>(1,924,362)</u>	<u>(9,377,767)</u>
Net change in fund balance	(1,792,609)	(1,261,676)	283,175	1,544,851	(2,552,189)
Fund balance, beginning of year	<u>23,909,484</u>	<u>23,909,484</u>	<u>23,909,484</u>	<u>-</u>	<u>26,461,673</u>
Fund balance, end of year	<u>\$ 22,116,875</u>	<u>\$ 22,647,808</u>	<u>\$ 24,192,659</u>	<u>\$ 1,544,851</u>	<u>\$ 23,909,484</u>

COUNTY OF OTTAWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. Budgets and budgetary accounting

The County adopts an annual budget for the general, special revenue, debt service and capital projects funds following the the GAAP basis of accounting. Unexpended appropriations lapse at year-end.

2. Reconciliation between the general fund schedule of revenues, expenditures and changes in fund balance - budget and actual and the statement of revenues, expenditures and changes in fund balance

The adjustments necessary to reconcile actual revenues and expenditures reported on a budgetary basis to actual revenues and expenditures reported in accordance with generally accepted accounting 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	\$ 78,198,773	\$ 77,915,598	\$ 283,175
Funds classified with the general fund for purposes of GASB Statement #54			
Solid Waste Clean-up (2271)	41,146	371,598	(330,452)
Infrastructure (2444)	17,231	625,000	(607,769)
Stabilization (2570)	-	-	-
DBDC (2970)	3,343,559	-	3,343,559
Eliminations	-	-	-
Statement of revenues, expenditures and changes in fund balance	<u>\$ 81,600,709</u>	<u>\$ 78,912,196</u>	<u>\$ 2,688,513</u>

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Intergovernmental revenues	\$ 36,973,925	\$ 37,301,074	\$ 36,618,920	\$ (682,154)	\$ 35,492,696
Charges for services	68,977	68,977	241,392	172,415	451,811
Investment earnings (loss)	-	-	(27,890)	(27,890)	(10,941)
Other	1,900	1,900	107,545	105,645	169,193
Total revenues	<u>37,044,802</u>	<u>37,371,951</u>	<u>36,939,967</u>	<u>(431,984)</u>	<u>36,102,759</u>
Expenditures					
Current operations					
Personnel services	9,383,180	9,391,263	9,022,543	368,720	9,170,469
Supplies	598,812	633,270	825,897	(192,627)	-
Other services and charges	28,468,452	28,735,637	28,909,694	(174,057)	28,358,848
Total expenditures	<u>38,450,444</u>	<u>38,760,170</u>	<u>38,758,134</u>	<u>2,036</u>	<u>37,529,317</u>
Revenues over (under) expenditures	<u>(1,405,642)</u>	<u>(1,388,219)</u>	<u>(1,818,167)</u>	<u>(429,948)</u>	<u>(1,426,558)</u>
Other financing sources (uses)					
Transfers from other funds	<u>1,405,642</u>	<u>1,818,167</u>	<u>1,818,167</u>	<u>-</u>	<u>1,423,649</u>
Total other financing sources (uses)	<u>1,405,642</u>	<u>1,818,167</u>	<u>1,818,167</u>	<u>-</u>	<u>1,423,649</u>
Net change in fund balance	-	429,948	-	(429,948)	(2,909)
Fund balance, beginning of year	<u>643,537</u>	<u>643,537</u>	<u>643,537</u>	<u>-</u>	<u>646,446</u>
Fund balance, end of year	<u>\$ 643,537</u>	<u>\$ 1,073,485</u>	<u>\$ 643,537</u>	<u>\$ (429,948)</u>	<u>\$ 643,537</u>

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION

SUBSTANCE USE DISORDER (2225) SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Intergovernmental revenues	\$ 3,271,443	\$ 3,618,947	\$ 2,927,254	\$ (691,693)	\$ 2,837,985
Investment earnings	-	-	39,137	39,137	31,219
Other	-	-	2,017	2,017	10,038
Total revenues	<u>3,271,443</u>	<u>3,618,947</u>	<u>2,968,408</u>	<u>(650,539)</u>	<u>2,879,242</u>
Expenditures					
Current operations					
Personnel services	278,997	278,997	335,789	(56,792)	296,785
Supplies	3,617	3,617	4,495	(878)	-
Other services and charges	<u>2,988,829</u>	<u>3,339,708</u>	<u>2,667,419</u>	<u>672,289</u>	<u>2,554,582</u>
Total expenditures	<u>3,271,443</u>	<u>3,622,322</u>	<u>3,007,703</u>	<u>614,619</u>	<u>2,851,367</u>
Revenues over (under) expenditures	-	(3,375)	(39,295)	35,920	27,875
Net change in fund balance	-	(3,375)	(39,295)	35,920	27,875
Fund balance, beginning of year	<u>21,720</u>	<u>21,720</u>	<u>49,595</u>	<u>-</u>	<u>21,720</u>
Fund balance, end of year	<u>\$ 21,720</u>	<u>\$ 18,345</u>	<u>\$ 10,300</u>	<u>\$ 35,920</u>	<u>\$ 49,595</u>

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION

**DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN EMPLOYERS NET PENSION
LIABILITY AND RELATED RATIOS**

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 4,134,129	\$ 4,292,728	\$ 4,405,425	\$ 4,562,943	\$ 4,838,448
Interest	22,495,130	21,530,960	20,559,652	18,909,601	17,895,352
Changes in benefit terms	(1,199,051)	-	-	-	-
Difference between expected and actual experience	(2,566,233)	(314,505)	(375,877)	1,399,417	-
Changes in assumptions	-	-	-	14,265,472	-
Benefit payments including employee refunds	(13,746,995)	(13,008,781)	(11,773,976)	(10,766,401)	(9,838,075)
Other	3	11	1	-	-
Net change in total pension liability	<u>9,116,983</u>	<u>12,500,413</u>	<u>12,815,225</u>	<u>28,371,032</u>	<u>12,895,725</u>
Total pension liability, beginning of year	<u>285,995,561</u>	<u>273,495,148</u>	<u>260,679,923</u>	<u>232,308,891</u>	<u>219,413,166</u>
Total pension liability, ending of year	<u>\$ 295,112,544</u>	<u>\$ 285,995,561</u>	<u>\$ 273,495,148</u>	<u>\$ 260,679,923</u>	<u>\$ 232,308,891</u>
Plan Fiduciary Net Position					
Contributions-employer	\$ 7,103,170	\$ 5,820,947	\$ 4,962,722	\$ 6,686,141	\$ 35,349,429
Contributions-employee	1,337,895	1,749,987	1,927,913	1,583,208	1,661,254
Net Investment income	(9,184,975)	28,190,453	22,309,475	(3,058,471)	10,532,019
Benefit payments including employee refunds	(13,746,995)	(13,008,781)	(11,773,976)	(10,766,401)	(9,838,075)
Administrative expense	(456,005)	(446,433)	(440,498)	(445,130)	(388,244)
Net change in plan fiduciary net position	<u>(14,946,910)</u>	<u>22,306,173</u>	<u>16,985,636</u>	<u>(6,000,653)</u>	<u>37,316,383</u>
Plan fiduciary net position, beginning of year	<u>236,254,962</u>	<u>213,948,789</u>	<u>196,963,153</u>	<u>202,963,806</u>	<u>165,647,423</u>
Plan fiduciary net position, ending of year	<u>\$ 221,308,052</u>	<u>\$ 236,254,962</u>	<u>\$ 213,948,789</u>	<u>\$ 196,963,153</u>	<u>\$ 202,963,806</u>
Employer net pension liability	<u>\$ 73,804,492</u>	<u>\$ 49,740,599</u>	<u>\$ 59,546,359</u>	<u>\$ 63,716,770</u>	<u>\$ 29,345,085</u>
Plan fiduciary net position as a percentage of the total pension liability	75%	83%	78%	76%	87%
Covered payroll	<u>\$ 32,079,263</u>	<u>\$ 33,373,122</u>	<u>\$ 34,396,609</u>	<u>\$ 36,557,710</u>	<u>\$ 39,033,659</u>
Employer's net pension liability as a percentage of covered payroll	230%	149%	173%	174%	75%

Notes to schedule:

Above amounts are based on December 31 of the prior year measurement dates.
This schedule is being accumulated prospectively until ten years of data is presented.

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION

**DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ 7,296,615	\$ 6,685,320	\$ 5,606,562	\$ 3,717,504	\$ 6,664,452
Contributions in relation to the actuarially determined contribution	<u>7,296,615</u>	<u>6,685,320</u>	<u>5,606,562</u>	<u>3,717,504</u>	<u>6,664,452</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 32,292,727</u>	<u>\$ 33,302,626</u>	<u>\$ 34,764,334</u>	<u>\$ 27,462,087</u>	<u>\$ 39,033,659</u>
Contributions as a percentage of covered payroll	23%	20%	16%	14%	17%

Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Declining by 2 years, closed
Remaining amortization period	20-24 years
Asset valuation method	5 year smoothed (10 year smoothed for 2014)
Inflation	2.5% (3-4% for 2014)
Salary increases	3.75% (4.50% for 2014)
Investment rate of return	7.75% (8.00% for 2014)
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male RP-2014 mortality table

Notes to schedule:

This schedule is being accumulated prospectively until ten years of data is presented.

COUNTY OF OTTAWA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFIT PLANS
SCHEDULE OF CHANGES IN EMPLOYERS LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	2019	2018	2017
Total OPEB liability			
Service cost	\$ 72,568	\$ 76,635	\$ 67,735
Interest	379,207	381,186	265,458
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(916,876)	(381,561)	3,684,085
Changes in assumptions	(936,918)	-	(1,448,169)
Benefit payments including employee refunds	(108,923)	(110,442)	(511,808)
Other	-	-	-
Net change in total OPEB liability	<u>(1,510,942)</u>	<u>(34,182)</u>	<u>2,057,301</u>
Total OPEB liability, beginning of year	<u>7,163,851</u>	<u>7,198,033</u>	<u>5,140,732</u>
Total OPEB liability, ending of year	<u>\$ 5,652,909</u>	<u>\$ 7,163,851</u>	<u>\$ 7,198,033</u>
Plan Fiduciary Net Position			
Contributions-employer	\$ 113,888	\$ 174,677	\$ 80,471
Contributions-employee	111,423	112,850	-
Net Investment income	215,713	508,448	619,034
Benefit payments including employee refunds	(108,923)	(110,442)	(511,808)
Administrative expense	<u>(61,534)</u>	<u>(61,690)</u>	<u>(65,751)</u>
Net change in plan fiduciary net position	270,567	623,843	121,946
Plan fiduciary net position, beginning of year	<u>5,829,039</u>	<u>5,205,196</u>	<u>5,083,250</u>
Plan fiduciary net position, ending of year	<u>\$ 6,099,606</u>	<u>\$ 5,829,039</u>	<u>\$ 5,205,196</u>
Employer net OPEB liability	<u>\$ (446,697)</u>	<u>\$ 1,334,812</u>	<u>\$ 1,992,837</u>
Plan fiduciary net position as a percentage of the total OPEB liability	107.9%	81.4%	72.3%
Covered payroll	<u>\$ 30,780,553</u>	<u>\$ 27,536,712</u>	<u>\$ 31,032,203</u>
Employer's net OPEB liability as a percentage of employee payroll	-1%	5%	6%

Notes to schedule:

This schedule is being accumulated prospectively until ten years of data is presented.

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION

**OTHER POST-EMPLOYMENT BENEFIT PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contributions	\$ 225,311	\$ 287,527	\$ 80,471
Contributions in relation to the actuarially determined contribution	<u>225,311</u>	<u>287,527</u>	<u>80,471</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 <u>\$ 30,780,553</u>	 <u>\$ 27,536,712</u>	 <u>\$ 31,032,203</u>
 Contributions as a percentage of covered payroll	 0.73%	 1.04%	 0.26%
 Notes to schedule			
Actuarial cost method		Entry Age	
Amortization method		Level percentage of compensation	
Remaining amortization period		12 year level percentage of payroll	
Asset valuation method		Equal to market value of assets	
Inflation		Included in rate of return	
Salary increases		2.00%	
Investment rate of return		5.28% (including inflation)	
Retirement age		Varies depending on plan adoption	
Mortality		50% female/ 50% male RP-2014 mortality table	
 Annual money-weighted rate of return net of investment expense	 3.62%	 9.24%	 26.07%

Notes to schedule:

This schedule is being accumulated prospectively until ten years of data is presented.

COUNTY OF OTTAWA
GENERAL FUND - SUBFUNDS
COMBINING BALANCE SHEET SCHEDULE
SEPTEMBER 30, 2019

	General Fund (1010)	Solid Waste Clean-Up (2271)	Infrastructure (2444)
Assets			
Cash and pooled investments	\$ 16,233,644	\$ 3,033,428	\$ 747,975
Receivables (net of allowance for estimated uncollectibles)			
Taxes	6,526,381	-	-
Accounts	696,026	-	-
Accrued interest on investments	217,681	-	-
Due from other funds	16,793	-	-
Interfund receivable	2,282,174	-	-
Advances to component units	325,000	-	-
Due from other governmental units	2,660,022	-	-
Inventory of supplies	10,300	-	-
Prepaid expenditures	150,532	-	-
Total assets	<u>29,118,553</u>	<u>3,033,428</u>	<u>747,975</u>
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	1,704,077	108,514	-
Due to other governmental units	256,001	-	-
Unearned revenue	714	-	-
Total liabilities	<u>1,960,792</u>	<u>108,514</u>	<u>-</u>
Deferred inflows of resources			
Aggregate deferred inflows	2,965,102	-	-
Fund balances			
Nonspendable	485,832	-	-
Restricted	1,038,924	-	-
Committed	3,189,833	2,924,914	747,975
Assigned	1,388,402	-	-
Unassigned	18,089,668	-	-
Total fund balances	<u>24,192,659</u>	<u>2,924,914</u>	<u>747,975</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,118,553</u>	<u>\$ 3,033,428</u>	<u>\$ 747,975</u>

(Continued)

COUNTY OF OTTAWA
GENERAL FUND - SUBFUNDS
COMBINING BALANCE SHEET SCHEDULE
SEPTEMBER 30, 2019

	Stabilization (2570)	DBDC (2970)	Eliminations	Total
Assets				
Cash and pooled investments	\$ 9,255,217	\$ 3,343,559	\$ -	\$ 32,613,823
Receivables (net of allowance for estimated uncollectibles)				
Taxes	-	-	-	6,526,381
Accounts	-	-	-	696,026
Accrued interest on investments	-	-	-	217,681
Due from other funds	-	-	-	16,793
Interfund receivable	-	-	-	2,282,174
Advances to component units	-	-	-	325,000
Due from other governmental units	-	-	-	2,660,022
Inventory of supplies	-	-	-	10,300
Prepaid expenditures	-	-	-	150,532
Total assets	<u>9,255,217</u>	<u>3,343,559</u>	<u>-</u>	<u>45,498,732</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	-	-	-	1,812,591
Due to other governmental units	-	-	-	256,001
Unearned revenue	-	-	-	714
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,069,306</u>
Deferred inflows of resources				
Aggregate deferred inflows	-	-	-	2,965,102
Fund balances				
Nonspendable	-	-	-	485,832
Restricted	9,255,217	-	-	10,294,141
Committed	-	3,343,559	-	10,206,281
Assigned	-	-	-	1,388,402
Unassigned	-	-	-	18,089,668
Total fund balances	<u>9,255,217</u>	<u>3,343,559</u>	<u>-</u>	<u>40,464,324</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,255,217</u>	<u>\$ 3,343,559</u>	<u>\$ -</u>	<u>\$ 45,498,732</u>

(Concluded)

COUNTY OF OTTAWA
GENERAL FUND - SUBFUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General Fund (1010)	Solid Waste Clean-Up (2271)	Infrastructure (2444)
Revenues			
Taxes	\$ 52,482,026	\$ -	\$ -
Intergovernmental revenues	10,956,292	-	-
Charges for services	9,837,137	-	-
Fines and forfeits	72,221	-	-
Investment earnings	726,308	41,146	17,231
Licenses and permits	374,476	-	-
Rental income	2,166,072	-	-
Other	875,045	-	-
Total revenues	<u>77,489,577</u>	<u>41,146</u>	<u>17,231</u>
Expenditures			
Current operations			
Legislative	535,661	-	-
Judicial	12,446,039	-	-
General government	14,089,617	-	-
Public safety	30,238,530	-	-
Public works	5,808,107	371,598	-
Health and welfare	787,859	-	-
Community and economic development	1,159,850	-	-
Other expenditures	128,249	-	-
Total expenditures	<u>65,193,912</u>	<u>371,598</u>	<u>-</u>
Revenues over (under) expenditures	<u>12,295,665</u>	<u>(330,452)</u>	<u>17,231</u>
Other financing sources (uses)			
Transfers from other funds	709,196	-	-
Transfers to other funds	<u>(12,721,686)</u>	<u>-</u>	<u>(625,000)</u>
Total other financing sources (uses)	<u>(12,012,490)</u>	<u>-</u>	<u>(625,000)</u>
Net change in fund balances	283,175	(330,452)	(607,769)
Fund balances, beginning of year	<u>23,909,484</u>	<u>3,255,366</u>	<u>1,355,744</u>
Fund balances, end of year	<u>\$ 24,192,659</u>	<u>\$ 2,924,914</u>	<u>\$ 747,975</u>

(Continued)

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Stabilization</u> <u>(2570)</u>	<u>DB/DC</u> <u>(2970)</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Taxes	\$ -	\$ 3,343,559	\$ -	\$ 55,825,585
Intergovernmental revenues	-	-	-	10,956,292
Charges for services	-	-	-	9,837,137
Fines and forfeits	-	-	-	72,221
Investment earnings	-	-	-	784,685
Licenses and permits	-	-	-	374,476
Rental income	-	-	-	2,166,072
Other	-	-	-	875,045
Total revenues	<u>-</u>	<u>3,343,559</u>	<u>-</u>	<u>80,891,513</u>
Expenditures				
Current operations				
Legislative	-	-	-	535,661
Judicial	-	-	-	12,446,039
General government	-	-	-	14,089,617
Public safety	-	-	-	30,238,530
Public works	-	-	-	6,179,705
Health and welfare	-	-	-	787,859
Community and economic development	-	-	-	1,159,850
Other expenditures	-	-	-	128,249
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,565,510</u>
Revenues over (under) expenditures	<u>-</u>	<u>3,343,559</u>	<u>-</u>	<u>15,326,003</u>
Other financing sources (uses)				
Transfers from other funds	-	-	-	709,196
Transfers to other funds	-	-	-	(13,346,686)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,637,490)</u>
Net change in fund balances	-	3,343,559	-	2,688,513
Fund balances, beginning of year	<u>9,255,217</u>	<u>-</u>	<u>-</u>	<u>37,775,811</u>
Fund balances, end of year	<u>\$ 9,255,217</u>	<u>\$ 3,343,559</u>	<u>\$ -</u>	<u>\$ 40,464,324</u>

(Concluded)

COUNTY OF OTTAWA

**GENERAL FUND
SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

Expenditures	Budget Amounts		Actual Amount	Variance Positive (Negative)	2018 Actual
	Original	Final			
Current operations					
Legislative					
Commissioners	\$ 539,899	\$ 542,899	\$ 535,661	\$ 7,238	\$ 536,062
Judicial:					
20th Circuit Court	2,907,271	2,931,771	2,866,965	64,806	3,294,297
58th District Court	7,572,308	7,610,703	7,460,141	150,562	8,371,149
Probate Court	888,061	889,336	866,678	22,658	867,398
Juvenile Services Division	1,144,448	1,148,448	1,090,217	58,231	1,088,048
Circuit Court Adult Probation	155,922	156,922	151,823	5,099	143,888
All other judicial	15,834	15,834	10,215	5,619	41,840
General government:					
Administrator	987,551	1,062,656	921,620	141,036	944,354
Fiscal Services	1,705,311	1,649,211	1,476,081	173,130	1,487,974
County Clerk	2,529,344	2,526,256	2,385,955	140,301	2,174,160
Prosecuting Attorney	4,258,093	4,338,797	3,974,970	363,827	3,832,862
County Treasurer	1,004,495	1,008,658	945,069	63,589	878,237
Equalization	1,408,874	1,479,374	1,430,453	48,921	1,318,914
Geographic Information Systems	518,021	518,021	498,401	19,620	491,091
MSU Extension	372,861	372,861	344,445	28,416	350,084
Facilities Maintenance	4,580,899	4,540,399	4,393,899	146,500	4,053,547
Corporate Counsel	247,774	265,167	260,126	5,041	233,759
Register of Deeds	683,884	729,361	693,540	35,821	588,457
Human Resources	937,445	1,016,411	959,943	56,468	811,326
Water Resources Commissioner	1,000,628	1,000,628	976,264	24,364	927,463
All other general government	132,188	132,188	106,075	26,113	96,034
Public safety:					
Sheriff	11,585,877	12,296,549	12,219,572	76,977	11,189,236
Jail	10,736,315	10,962,315	10,959,277	3,038	10,555,068
All other public safety	6,644,163	7,117,369	7,059,681	57,688	6,457,045
Public works	171,974	173,445	173,445	-	202,609
All other public works	5,256,847	5,756,166	5,634,662	121,504	5,204,854
Health and welfare:					
Substance Abuse	532,994	547,894	254,056	293,838	528,771
All other health and welfare	551,559	555,759	533,803	21,956	577,775
Community and economic development	1,316,796	1,311,926	1,159,850	152,076	1,253,223
Other expenditures:					
Insurance	128,249	128,249	128,249	-	127,116
Contingency	400,000	328	-	328	-
Transfers to Other Funds	12,966,279	12,822,239	12,721,686	100,553	10,154,632
Total	83,882,163	85,608,139	83,192,822	2,415,317	78,781,273
Allocated to other departments	(5,203,304)	(5,203,304)	(5,277,224)	73,920	(4,861,171)
Total Expenditures	\$ 78,678,859	\$ 80,404,835	\$ 77,915,598	\$ 2,489,237	\$ 73,920,102

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

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.

Parks and Recreation (2081) - This fund is used to account for monies received from Federal, State, and local grants, County appropriations, and property taxes levied to provide parks and recreation services to County residents.

Friend of the Court (2160) - This fund accounts for the operations of the Friend of the Court including the Cooperative Reimbursement Grant, the 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, including judicial, public safety, and Community Action Agency grants.

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.

Community Mental Health Millage (2221) – This fund was established to account for a 10 year special millage approved by the voters for the purpose of providing a fund to supplement (but not supplant) Michigan Medicaid funding, Michigan general fund dollars, and Ottawa County general fund dollars and to support additional programming and services for Ottawa County residents who are clients of the Ottawa County Community Mental Health Agency who receive programming and services therefrom pursuant to the terms of the Michigan Mental Health Code, Act 258 of the Public Acts of 1974, as amended.

Landfill Tipping Fees (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 accounts 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.

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 (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.

Office of Public Defender (2600) – This fund was established to undertake, perform and complete the services described in the approved compliance plan and in accordance with the Michigan Indigent Defense Act, created by Public Act 93 of 2013.

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

SPECIAL REVENUE FUNDS (continued)

Federal Forfeiture (2620) – This fund was established under Public Act 20 of 1943 to account for deposit of fees and expenses of costs for those local units participating in the Justice Department Equitable Sharing Program.

Sheriff Grants & Contracts (2630) - This fund accounts for various public safety grants and contracts for policing services with County municipalities.

Concealed Pistol Licensing (2631) - This fund was established under Public Act 3 of 2015 to account for the deposit of fees, and expense of costs, of administering the act.

Department of Health and Human Services (2901) - This fund accounts for County appropriations 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, including the operating costs of the Ottawa County Detention Center, which is a facility that houses juveniles on a short-term basis and is funded by both the State and a County appropriation.

DEBT SERVICE FUND

Building Authority (3517) and Debt Service (3010, 3600) - These funds were 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

Capital Improvement (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.

Building Authority Capital Improvement (4690) – This fund was established to record receipts and expenditures for capital projects financed by the Building Authority.

INTERNAL SERVICE FUNDS

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

Innovation and Technology (6360) - This 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 (6450) - This fund is used to account for revenues received from user departments and expenses incurred in providing copier services.

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

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

INTERNAL SERVICE FUNDS (continued)

Equipment Pool (6641) - This 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 (6770) - This 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 (6771) - This 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 (6772) - This 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 (6775) - This 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 (6780) - This 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.

DB/DC Conversion (6810) – 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 (6800) – This fund is used to account for the 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.

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 (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.

Juvenile Court (7015) – This fund was established to account for monies received by the Juvenile Court for later distribution to other agencies or persons.

Library Penal Fine (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 this fund after being reimbursed by the benefiting funds.

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

FIDUCIARY FUNDS (continued)

Inland Lake Improvement (8725) - The Water Resource Commissioner serves as the treasurer for various inland lake boards that do not meet the requirements of a component unit, so the financial activity is recorded in this fund.

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2019

	Special Revenue				
	Parks and Recreation (2081)	Friend of the Court (2160)	Other Governmental Grants (2180)	Health (2210)	Community Mental Health Millage (2221)
Assets					
Cash and pooled investments	\$ 842,182	\$ 250	\$ -	\$ 1,857,295	\$ 1,454,426
Receivables (net of allowance for estimated uncollectibles)					
Taxes	2,951	-	-	-	-
Accounts	15,619	-	-	219,062	1,832
Due from other funds	-	-	-	-	-
Due from other governmental units	1,597,124	589,165	1,175,125	321,318	161,826
Inventory of supplies	11,241	-	4,819	197,559	-
Prepaid expenditures	-	-	261	80,600	38,397
Total assets	2,469,117	589,415	1,180,205	2,675,834	1,656,481
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	333,814	65,153	155,626	282,878	167,972
Due to other governmental units	-	-	3,864	29,855	-
Interfund payable	-	524,262	723,830	-	-
Advances from other governmental units	-	-	-	-	-
Unearned revenue	104,350	-	11,928	380	1,832
Total liabilities	438,164	589,415	895,248	313,113	169,804
Deferred inflows of resources					
Aggregate deferred inflows	4,214	-	-	189,839	-
Fund balances					
Nonspendable	11,241	-	5,080	278,159	38,397
Restricted	2,015,498	-	279,877	575,639	1,448,280
Committed	-	-	-	-	-
Assigned	-	-	-	1,319,084	-
Total fund balances	2,026,739	-	284,957	2,172,882	1,486,677
Total liabilities, deferred inflows of resources and fund balances	\$ 2,469,117	\$ 589,415	\$ 1,180,205	\$ 2,675,834	\$ 1,656,481

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2019

	Special Revenue			
	Landfill Tipping Fees (2272)	Farmland Preservation (2340)	Homestead Property Tax (2550)	Register of Deeds Technology (2560)
Assets				
Cash and pooled investments	\$ 1,299,539	\$ -	\$ 43,242	\$ 870,441
Receivables (net of allowance for estimated uncollectibles)				
Taxes	-	-	-	-
Accounts	37,264	720	-	-
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Inventory of supplies	-	-	-	-
Prepaid expenditures	-	-	-	-
Total assets	<u>1,336,803</u>	<u>720</u>	<u>43,242</u>	<u>870,441</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	20,936	-	-	6,903
Due to other governmental units	-	-	-	-
Interfund payable	-	223	-	-
Advances from other governmental units	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>20,936</u>	<u>223</u>	<u>-</u>	<u>6,903</u>
Deferred inflows of resources				
Aggregate deferred inflows	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	-	43,242	863,538
Committed	-	497	-	-
Assigned	1,315,867	-	-	-
Total fund balances	<u>1,315,867</u>	<u>497</u>	<u>43,242</u>	<u>863,538</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,336,803</u>	<u>\$ 720</u>	<u>\$ 43,242</u>	<u>\$ 870,441</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2019

	Special Revenue				
	Public Defender (2600)	Federal Forfeiture (2620)	Sheriff Grants & Contracts (2630)	Concealed Pistol Licensing (2631)	Department of Health and Human Services (2901)
Assets					
Cash and pooled investments	\$ 197,002	\$ 37,724	\$ -	\$ 194,577	\$ 6,351
Receivables (net of allowance for estimated uncollectibles)					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	1,650,354	3,672	-
Inventory of supplies	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Total assets	<u>197,002</u>	<u>37,724</u>	<u>1,650,354</u>	<u>198,249</u>	<u>6,351</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	70,725	-	138,089	806	6,351
Due to other governmental units	126,277	-	-	-	-
Interfund payable	-	-	1,033,859	-	-
Advances from other governmental units	-	-	478,406	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>197,002</u>	<u>-</u>	<u>1,650,354</u>	<u>806</u>	<u>6,351</u>
Deferred inflows of resources					
Aggregate deferred inflows	-	-	-	-	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	-	37,724	-	197,443	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>37,724</u>	<u>-</u>	<u>197,443</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 197,002</u>	<u>\$ 37,724</u>	<u>\$ 1,650,354</u>	<u>\$ 198,249</u>	<u>\$ 6,351</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2019

	Debt Service		Capital Improvement		Total Nonmajor	
	Child Care (2920)	Debt Service (3010)	Capital Improvement (4020)	Bldng Improvement (4690)	Governmental Funds	
					2019	2018
Assets						
Cash and pooled investments	\$ 953,207	\$ -	\$ 3,493,301	\$ 483,734	\$ 11,733,271	\$ 12,142,827
Receivables (net of allowance for estimated uncollectibles)						
Taxes	-	-	-	-	2,951	2,652
Accounts	296,141	-	-	-	570,638	498,166
Due from other funds	-	-	-	-	-	-
Due from other governmental units	1,281,611	-	20,400	-	6,800,595	4,748,691
Inventory of supplies	-	-	-	-	213,619	277,233
Prepaid expenditures	-	-	-	-	119,258	40,083
Total assets	<u>2,530,959</u>	<u>-</u>	<u>3,513,701</u>	<u>483,734</u>	<u>19,440,332</u>	<u>17,709,652</u>
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	243,503	-	341,982	-	1,834,738	1,463,356
Due to other governmental units	-	-	-	-	159,996	282,349
Interfund payable	-	-	-	-	2,282,174	1,570,914
Advances from other governmental units	-	-	-	-	478,406	478,406
Unearned revenue	-	-	-	-	118,490	173,714
Total liabilities	<u>243,503</u>	<u>-</u>	<u>341,982</u>	<u>-</u>	<u>4,873,804</u>	<u>3,968,739</u>
Deferred inflows of resources						
Aggregate deferred inflows	296,141	-	-	-	490,194	380,623
Fund balances						
Nonspendable	-	-	-	-	332,877	317,316
Restricted	-	-	-	-	5,461,241	4,323,325
Committed	-	-	3,171,719	483,734	3,655,950	4,200,023
Assigned	1,991,315	-	-	-	4,626,266	4,519,626
Total fund balances	<u>1,991,315</u>	<u>-</u>	<u>3,171,719</u>	<u>483,734</u>	<u>14,076,334</u>	<u>13,360,290</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,530,959</u>	<u>\$ -</u>	<u>\$ 3,513,701</u>	<u>\$ 483,734</u>	<u>\$ 19,440,332</u>	<u>\$ 17,709,652</u>

(Concluded)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue				
	Parks and Recreation (2081)	Friend of the Court (2160)	Other Governmental Grants (2180)	Health (2210)	Community Mental Health Millage (2221)
Revenues					
Taxes	\$ 3,849,324	\$ -	\$ -	\$ -	\$ 3,431,218
Intergovernmental revenues	6,071,495	3,479,437	2,574,958	5,946,990	641,508
Charges for services	808,535	389,535	78,064	705,830	-
Investment earnings	34,218	-	-	-	39,984
Licenses and permits	-	-	-	1,052,855	-
Rental income	29,461	-	-	-	-
Other	2,101,699	-	(3,041)	135,976	-
Total revenues	<u>12,894,732</u>	<u>3,868,972</u>	<u>2,649,981</u>	<u>7,841,651</u>	<u>4,112,710</u>
Expenditures					
Current operations					
Judicial	-	5,050,728	892,100	-	-
General government	-	-	-	-	-
Public safety	-	-	214,396	-	-
Public works	-	-	157,569	-	-
Health and welfare	-	-	1,495,589	11,165,095	2,739,552
Culture and recreation	3,794,805	-	-	-	-
Community and economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	9,916,588	-	-	-	-
Total expenditures	<u>13,711,393</u>	<u>5,050,728</u>	<u>2,759,654</u>	<u>11,165,095</u>	<u>2,739,552</u>
Revenues over (under) expenditures	<u>(816,661)</u>	<u>(1,181,756)</u>	<u>(109,673)</u>	<u>(3,323,444)</u>	<u>1,373,158</u>
Other financing sources (uses)					
Transfers from other funds	-	1,181,756	2,159	4,610,713	-
Transfers to other funds	-	-	-	-	(1,591,667)
Total other financing sources (uses)	<u>-</u>	<u>1,181,756</u>	<u>2,159</u>	<u>4,610,713</u>	<u>(1,591,667)</u>
Net changes in fund balances	(816,661)	-	(107,514)	1,287,269	(218,509)
Fund balances, beginning of year	<u>2,843,400</u>	<u>-</u>	<u>392,471</u>	<u>885,613</u>	<u>1,705,186</u>
Fund balances, end of year	<u>\$ 2,026,739</u>	<u>\$ -</u>	<u>\$ 284,957</u>	<u>\$ 2,172,882</u>	<u>\$ 1,486,677</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue				
	Landfill Tipping Fees (2272)	Farmland Preservation (2340)	Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Public Defender (2600)
Revenues					
Taxes	\$ -	\$ -	\$ 7,301	\$ -	\$ -
Intergovernmental revenues	13,315	-	-	-	1,817,942
Charges for services	526,239	-	-	231,940	-
Investment earnings	-	-	542	11,025	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	8,217	-	-	-
Total revenues	<u>539,554</u>	<u>8,217</u>	<u>7,843</u>	<u>242,965</u>	<u>1,817,942</u>
Expenditures					
Current operations					
Judicial	-	-	-	-	-
General government	-	-	1,529	187,934	2,741,029
Public safety	-	-	-	-	-
Public works	522,613	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Community and economic development	-	8,170	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	232	-
Total expenditures	<u>522,613</u>	<u>8,170</u>	<u>1,529</u>	<u>188,166</u>	<u>2,741,029</u>
Revenues over (under) expenditures	<u>16,941</u>	<u>47</u>	<u>6,314</u>	<u>54,799</u>	<u>(923,087)</u>
Other financing sources (uses)					
Transfers from other funds	-	-	-	-	923,087
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>923,087</u>
Net changes in fund balances	16,941	47	6,314	54,799	-
Fund balances, beginning of year	<u>1,298,926</u>	<u>450</u>	<u>36,928</u>	<u>808,739</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,315,867</u>	<u>\$ 497</u>	<u>\$ 43,242</u>	<u>\$ 863,538</u>	<u>\$ -</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue				
	Federal Forfeiture (2620)	Sheriff Grants & Contracts (2630)	Concealed Pistol Licensing (2631)	Department of Health and Human Services (2901)	Child Care (2920)
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	8,004,048	29,160	-	4,074,130
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	78,599	-	-
Rental income	-	-	-	-	-
Other	-	47,606	-	-	1,742,324
Total revenues	<u>-</u>	<u>8,051,654</u>	<u>107,759</u>	<u>-</u>	<u>5,816,454</u>
Expenditures					
Current operations					
Judicial	-	-	-	-	-
General government	8,729	-	67,185	-	-
Public safety	-	8,493,195	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	43,116	8,729,433
Culture and recreation	-	-	-	-	-
Community and economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>8,729</u>	<u>8,493,195</u>	<u>67,185</u>	<u>43,116</u>	<u>8,729,433</u>
Revenues over (under) expenditures	<u>(8,729)</u>	<u>(441,541)</u>	<u>40,574</u>	<u>(43,116)</u>	<u>(2,912,979)</u>
Other financing sources (uses)					
Transfers from other funds	-	441,540	-	43,116	3,979,295
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>441,540</u>	<u>-</u>	<u>43,116</u>	<u>3,979,295</u>
Net changes in fund balances	(8,729)	(1)	40,574	-	1,066,316
Fund balances, beginning of year	<u>46,453</u>	<u>1</u>	<u>156,869</u>	<u>-</u>	<u>924,999</u>
Fund balances, end of year	<u>\$ 37,724</u>	<u>\$ -</u>	<u>\$ 197,443</u>	<u>\$ -</u>	<u>\$ 1,991,315</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Debt Service</u>			<u>Total Nonmajor Governmental Funds</u>	
	<u>Debt Service (3010)</u>	<u>Capital Improvement (4020)</u>	<u>Bldng Authority (4690)</u>	<u>2019</u>	<u>2018</u>
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 7,287,843	\$ 6,614,843
Intergovernmental revenues	122,655	-	-	32,775,638	27,269,325
Charges for services	-	23,797	-	2,763,940	2,651,074
Investment earnings	-	36,888	-	122,657	141,841
Licenses and permits	-	-	-	1,131,454	1,140,251
Rental income	-	256,944	-	286,405	647,472
Other	-	-	-	4,032,781	3,280,780
Total revenues	<u>122,655</u>	<u>317,629</u>	<u>-</u>	<u>48,400,718</u>	<u>41,745,586</u>
Expenditures					
Current operations					
Judicial	-	-	-	5,942,828	5,774,395
General government	-	-	-	3,006,406	323,590
Public safety	-	-	-	8,707,591	8,285,151
Public works	-	-	-	680,182	577,929
Health and welfare	-	-	-	24,172,785	22,811,496
Culture and recreation	-	-	-	3,794,805	3,641,729
Community and economic development	-	-	-	8,170	35,016
Debt service	4,134,327	-	-	4,134,327	5,120,006
Capital outlay	-	3,044,217	16,266	12,977,303	9,535,767
Total expenditures	<u>4,134,327</u>	<u>3,044,217</u>	<u>16,266</u>	<u>63,424,397</u>	<u>56,105,079</u>
Revenues over (under) expenditures	<u>(4,011,672)</u>	<u>(2,726,588)</u>	<u>(16,266)</u>	<u>(15,023,679)</u>	<u>(14,359,493)</u>
Other financing sources (uses)					
Transfers from other funds	4,010,972	2,153,631	500,000	17,846,269	15,510,845
Transfers to other funds	-	(514,879)	-	(2,106,546)	(1,577,123)
Total other financing sources (uses)	<u>4,010,972</u>	<u>1,638,752</u>	<u>500,000</u>	<u>15,739,723</u>	<u>13,933,722</u>
Net changes in fund balances	(700)	(1,087,836)	483,734	716,044	(425,771)
Fund balances, beginning of year	<u>700</u>	<u>4,259,555</u>	<u>-</u>	<u>13,360,290</u>	<u>13,786,061</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 3,171,719</u>	<u>\$ 483,734</u>	<u>\$ 14,076,334</u>	<u>\$ 13,360,290</u>

(Concluded)

COUNTY OF OTTAWA

**PARKS AND RECREATION (2081)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 3,738,500	\$ 3,738,500	\$ 3,849,324	\$ 110,824	\$ 3,548,324
Intergovernmental revenues	-	7,287,124	6,071,495	(1,215,629)	5,006,961
Charges for services	711,300	711,300	808,535	97,235	714,211
Investment earnings (loss)	30,000	30,000	34,218	4,218	55,259
Rental income	-	-	29,461	29,461	18,946
Other	72,800	2,999,562	2,101,699	(897,863)	1,525,874
Total revenues	<u>4,552,600</u>	<u>14,766,486</u>	<u>12,894,732</u>	<u>(1,871,754)</u>	<u>10,869,575</u>
Expenditures					
Current operations					
Personnel services	2,724,943	2,724,943	2,628,682	96,261	2,462,392
Supplies	328,960	353,844	291,752	62,092	299,474
Other services and charges	757,208	1,080,784	874,371	206,413	879,863
Capital outlay	321,000	11,129,582	9,916,588	1,212,994	7,877,275
Total expenditures	<u>4,132,111</u>	<u>15,289,153</u>	<u>13,711,393</u>	<u>1,577,760</u>	<u>11,519,004</u>
Revenues over (under) expenditures	<u>420,489</u>	<u>(522,667)</u>	<u>(816,661)</u>	<u>(293,994)</u>	<u>(649,429)</u>
Other financing sources (uses)					
Transfers from other funds	-	-	-	-	6,000
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Net change in fund balance	420,489	(522,667)	(816,661)	(293,994)	(643,429)
Fund balance, beginning of year	<u>2,843,400</u>	<u>2,843,400</u>	<u>2,843,400</u>	<u>-</u>	<u>3,486,829</u>
Fund balance, end of year	<u>\$ 3,263,889</u>	<u>\$ 2,320,733</u>	<u>\$ 2,026,739</u>	<u>\$ (293,994)</u>	<u>\$ 2,843,400</u>

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, 2019
(with comparative totals for year ended September 30, 2018)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	3,665,716	3,660,773	3,479,437	(181,336)	3,306,058
Charges for services	<u>468,650</u>	<u>426,650</u>	<u>389,535</u>	<u>(37,115)</u>	<u>433,267</u>
Total revenues	<u>4,134,366</u>	<u>4,087,423</u>	<u>3,868,972</u>	<u>(218,451)</u>	<u>3,739,325</u>
Expenditures					
Current operations					
Personnel services	4,176,918	4,176,918	3,954,583	222,335	3,896,095
Supplies	84,659	119,427	108,538	10,889	67,492
Other services and charges	<u>1,024,840</u>	<u>1,025,007</u>	<u>987,607</u>	<u>37,400</u>	<u>838,363</u>
Total expenditures	<u>5,286,417</u>	<u>5,321,352</u>	<u>5,050,728</u>	<u>270,624</u>	<u>4,801,950</u>
Revenues over (under) expenditures	<u>(1,152,051)</u>	<u>(1,233,929)</u>	<u>(1,181,756)</u>	<u>52,173</u>	<u>(1,062,625)</u>
Other financing sources (uses)					
Transfers from other funds	1,152,051	1,233,929	1,181,756	(52,173)	1,062,625
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,152,051</u>	<u>1,233,929</u>	<u>1,181,756</u>	<u>(52,173)</u>	<u>1,062,625</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

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	Budget Amounts		Actual Amount	Variance	2018 Actual
	Original	Final		Positive (Negative)	
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	2,851,801	2,843,919	2,574,958	(268,961)	2,824,291
Charges for services	78,100	74,600	78,064	3,464	74,224
Other	34,375	73,062	(3,041)	(76,103)	10,086
Total revenues	<u>2,964,276</u>	<u>2,991,581</u>	<u>2,649,981</u>	<u>(341,600)</u>	<u>2,908,601</u>
Expenditures					
Current operations					
Judicial					
Personnel services	441,322	499,258	431,075	68,183	400,290
Supplies	97,043	69,701	39,960	29,741	53,187
Other services and charges	476,952	495,119	421,065	74,054	518,968
Public safety					
Personnel services	94,760	128,848	92,479	36,369	88,664
Supplies	13,000	32,279	94,357	(62,078)	60,662
Other services and charges	18,210	39,230	27,560	11,670	20,053
Public works					
Other services and charges	157,569	157,569	157,569	-	160,126
Health					
Personnel services	586,701	572,575	574,851	(2,276)	587,111
Supplies	478,831	547,735	481,143	66,592	341,136
Other services and charges	660,142	466,519	439,595	26,924	641,673
Total expenditures	<u>3,024,530</u>	<u>3,008,833</u>	<u>2,759,654</u>	<u>249,179</u>	<u>2,871,870</u>
Revenues over (under) expenditures	<u>(60,254)</u>	<u>(17,252)</u>	<u>(109,673)</u>	<u>(92,421)</u>	<u>36,731</u>
Other financing sources (uses)					
Transfers from other funds	37,147	17,352	2,159	(15,193)	22,961
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>37,147</u>	<u>17,352</u>	<u>2,159</u>	<u>(15,193)</u>	<u>22,961</u>
Net change in fund balance	(23,107)	100	(107,514)	(107,614)	59,692
Fund balance, beginning of year	<u>392,471</u>	<u>392,471</u>	<u>392,471</u>	<u>-</u>	<u>332,779</u>
Fund balance, end of year	<u>\$ 369,364</u>	<u>\$ 392,571</u>	<u>\$ 284,957</u>	<u>\$ (107,614)</u>	<u>\$ 392,471</u>

COUNTY OF OTTAWA

HEALTH (2210)

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2018 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	4,118,177	5,635,930	5,946,990	311,060	4,365,076
Charges for services	896,630	893,630	705,830	(187,800)	650,523
Licenses and permits	1,189,660	1,189,660	1,052,855	(136,805)	1,027,568
Other	<u>11,510</u>	<u>112,788</u>	<u>135,976</u>	<u>23,188</u>	<u>81,322</u>
Total revenues	<u>6,215,977</u>	<u>7,832,008</u>	<u>7,841,651</u>	<u>9,643</u>	<u>6,124,489</u>
Expenditures					
Current operations					
Personnel services	8,293,070	8,335,710	7,868,542	467,168	7,417,469
Supplies	874,317	1,177,456	1,072,513	104,943	820,367
Other services and charges	2,210,166	2,347,186	2,224,040	123,146	2,027,884
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,313</u>
Total expenditures	<u>11,377,553</u>	<u>11,860,352</u>	<u>11,165,095</u>	<u>695,257</u>	<u>10,277,033</u>
Revenues over (under) expenditures	<u>(5,161,576)</u>	<u>(4,028,343)</u>	<u>(3,323,444)</u>	<u>(704,899)</u>	<u>(4,152,544)</u>
Other financing sources (uses)					
Transfers from other funds	4,610,714	4,610,714	4,610,713	(1)	3,582,994
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>4,610,714</u>	<u>4,610,714</u>	<u>4,610,713</u>	<u>(1)</u>	<u>3,582,994</u>
Net change in fund balance	(550,862)	582,371	1,287,269	(704,900)	(569,550)
Fund balance, beginning of year	<u>885,613</u>	<u>885,613</u>	<u>885,613</u>	<u>-</u>	<u>1,455,163</u>
Fund balance, end of year	<u>\$ 334,751</u>	<u>\$ 1,467,984</u>	<u>\$ 2,172,882</u>	<u>\$ (704,900)</u>	<u>\$ 885,613</u>

COUNTY OF OTTAWA

**COMMUNITY MENTAL HEALTH MILLAGE (2221)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 3,201,609	\$ (3,201,609)	\$ 3,431,218	\$ 6,632,827	\$ 3,064,031
Intergovernmental revenues	704,215	(704,215)	641,508	1,345,723	528,474
Investment earnings (loss)	5,000	(5,000)	39,984	44,984	31,242
Other	-	-	-	-	24,168
Total revenues	<u>3,910,824</u>	<u>(3,910,824)</u>	<u>4,112,710</u>	<u>8,023,534</u>	<u>3,647,915</u>
Expenditures					
Current operations					
Personnel services	307,318	307,318	256,702	50,616	241,681
Supplies	19,171	19,171	3,019	16,152	-
Other services and charges	2,358,187	2,405,680	2,479,831	(74,151)	1,887,192
Capital outlay	-	-	-	-	-
Total expenditures	<u>2,684,676</u>	<u>2,732,169</u>	<u>2,739,552</u>	<u>(7,383)</u>	<u>2,128,873</u>
Revenues over (under) expenditures	<u>1,226,148</u>	<u>(6,642,993)</u>	<u>1,373,158</u>	<u>8,016,151</u>	<u>1,519,042</u>
Other financing sources (uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	<u>(1,179,142)</u>	<u>(1,591,667)</u>	<u>(1,591,667)</u>	<u>-</u>	<u>(1,197,149)</u>
Total other financing sources (uses)	<u>(1,179,142)</u>	<u>(1,591,667)</u>	<u>(1,591,667)</u>	<u>-</u>	<u>(1,197,149)</u>
Net change in fund balance	47,006	(8,234,661)	(218,509)	8,016,151	321,893
Fund balance, beginning of year	<u>1,705,186</u>	<u>1,705,186</u>	<u>1,705,186</u>	<u>-</u>	<u>1,383,293</u>
Fund balance, end of year	<u>\$ 1,752,192</u>	<u>\$ (6,529,475)</u>	<u>\$ 1,486,677</u>	<u>\$ 8,016,151</u>	<u>\$ 1,705,186</u>

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	28,000	54,977	13,315	(41,662)	8,528
Charges for services	495,000	503,992	526,239	22,247	509,009
Other	-	-	-	-	-
Total revenues	<u>523,000</u>	<u>558,969</u>	<u>539,554</u>	<u>(19,415)</u>	<u>517,537</u>
Expenditures					
Current operations					
Personnel services	316,378	316,378	296,422	19,956	253,129
Supplies	15,926	38,095	32,695	5,400	9,799
Other services and charges	196,788	210,588	193,496	17,092	154,875
Capital outlay	-	-	-	-	-
Total expenditures	<u>529,092</u>	<u>565,061</u>	<u>522,613</u>	<u>42,448</u>	<u>417,803</u>
Revenues over (under) expenditures	<u>(6,092)</u>	<u>(6,092)</u>	<u>16,941</u>	<u>23,033</u>	<u>99,734</u>
Other financing sources (uses)					
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	(6,092)	(6,092)	16,941	23,033	99,734
Fund balance, beginning of year	<u>1,298,926</u>	<u>1,298,926</u>	<u>1,298,926</u>	<u>-</u>	<u>1,199,192</u>
Fund balance, end of year	<u>\$ 1,292,834</u>	<u>\$ 1,292,834</u>	<u>\$ 1,315,867</u>	<u>\$ 23,033</u>	<u>\$ 1,298,926</u>

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	100,800	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	<u>66,276</u>	<u>10,276</u>	<u>8,217</u>	<u>(2,059)</u>	<u>34,131</u>
Total revenues	<u>167,076</u>	<u>10,276</u>	<u>8,217</u>	<u>(2,059)</u>	<u>34,131</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	3,070	3,070	2,320	750	2,175
Other services and charges	164,006	7,206	5,850	1,356	32,841
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>167,076</u>	<u>10,276</u>	<u>8,170</u>	<u>2,106</u>	<u>35,016</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>47</u>	<u>47</u>	<u>(885)</u>
Other financing sources (uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	47	47	(885)
Fund balance, beginning of year	<u>450</u>	<u>450</u>	<u>450</u>	<u>-</u>	<u>1,335</u>
Fund balance, end of year	<u>\$ 450</u>	<u>\$ 450</u>	<u>\$ 497</u>	<u>\$ 47</u>	<u>\$ 450</u>

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 12,000	\$ 12,000	\$ 7,301	\$ (4,699)	\$ 2,488
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	150	150	542	392	409
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>12,150</u>	<u>12,150</u>	<u>7,843</u>	<u>(4,307)</u>	<u>2,897</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	100	100	-	100	-
Other services and charges	1,521	1,521	1,529	(8)	1,493
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,621</u>	<u>1,621</u>	<u>1,529</u>	<u>92</u>	<u>1,493</u>
Revenues over (under) expenditures	<u>10,529</u>	<u>10,529</u>	<u>6,314</u>	<u>(4,215)</u>	<u>1,404</u>
Other financing sources (uses)					
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	10,529	10,529	6,314	(4,215)	1,404
Fund balance, beginning of year	<u>36,928</u>	<u>36,928</u>	<u>36,928</u>	<u>-</u>	<u>35,524</u>
Fund balance, end of year	<u>\$ 47,457</u>	<u>\$ 47,457</u>	<u>\$ 43,242</u>	<u>\$ (4,215)</u>	<u>\$ 36,928</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 SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	245,000	245,000	231,940	(13,060)	236,140
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	11,025	11,025	9,229
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>245,000</u>	<u>245,000</u>	<u>242,965</u>	<u>(2,035)</u>	<u>245,369</u>
Expenditures					
Current operations					
Personnel services	27,454	27,454	28,166	(712)	66,377
Supplies	40,752	40,752	33,456	7,296	10,081
Other services and charges	157,562	157,562	126,312	31,250	163,890
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>41,400</u>	<u>41,400</u>	<u>232</u>	<u>41,168</u>	<u>169</u>
Total expenditures	<u>267,168</u>	<u>267,168</u>	<u>188,166</u>	<u>79,002</u>	<u>240,517</u>
Revenues over (under) expenditures	<u>(22,168)</u>	<u>(22,168)</u>	<u>54,799</u>	<u>76,967</u>	<u>4,852</u>
Other financing sources (uses)					
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	(22,168)	(22,168)	54,799	76,967	4,852
Fund balance, beginning of year	<u>808,739</u>	<u>808,739</u>	<u>808,739</u>	<u>-</u>	<u>803,887</u>
Fund balance, end of year	<u>\$ 786,571</u>	<u>\$ 786,571</u>	<u>\$ 863,538</u>	<u>\$ 76,967</u>	<u>\$ 808,739</u>

COUNTY OF OTTAWA

PUBLIC DEFENDER (2600)

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	1,954,737	1,944,219	1,817,942	(126,277)	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>1,954,737</u>	<u>1,944,219</u>	<u>1,817,942</u>	<u>(126,277)</u>	<u>-</u>
Expenditures					
Current operations					
Personnel services	2,258,022	1,471,562	1,471,561	1	-
Supplies	173,348	211,101	167,344	43,757	-
Other services and charges	446,454	1,184,643	1,102,124	82,519	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>2,877,824</u>	<u>2,867,306</u>	<u>2,741,029</u>	<u>126,277</u>	<u>-</u>
Revenues over (under) expenditures	<u>(923,087)</u>	<u>(923,087)</u>	<u>(923,087)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)					
Transfers from other funds	923,087	923,087	923,087	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>923,087</u>	<u>923,087</u>	<u>923,087</u>	<u>-</u>	<u>-</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

**FEDERAL FORFEITURE (2620)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	180
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	-	-	-	-	180
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	40,000	8,729	31,271	5,000
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	40,000	8,729	31,271	5,000
Revenues over (under) expenditures	-	(40,000)	(8,729)	31,271	(4,820)
Other financing sources (uses)					
Transfers from other funds	-	-	-	-	51,273
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	51,273
Net change in fund balance	-	(40,000)	(8,729)	31,271	46,453
Fund balance, beginning of year	46,453	46,453	46,453	-	-
Fund balance, end of year	<u>\$ 46,453</u>	<u>\$ 6,453</u>	<u>\$ 37,724</u>	<u>\$ 31,271</u>	<u>\$ 46,453</u>

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	8,569,333	8,412,974	8,004,048	(408,926)	7,717,496
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	47,606	47,606	-
Total revenues	<u>8,569,333</u>	<u>8,412,974</u>	<u>8,051,654</u>	<u>(361,320)</u>	<u>7,717,496</u>
Expenditures					
Current operations					
Personnel services	8,052,848	7,853,505	7,601,828	251,677	7,230,621
Supplies	226,297	241,638	157,925	83,713	117,173
Other services and charges	811,153	789,425	733,442	55,983	767,978
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>9,090,298</u>	<u>8,884,568</u>	<u>8,493,195</u>	<u>391,373</u>	<u>8,115,772</u>
Revenues over (under) expenditures	<u>(520,965)</u>	<u>(471,594)</u>	<u>(441,541)</u>	<u>30,053</u>	<u>(398,276)</u>
Other financing sources (uses)					
Transfers from other funds	520,965	471,594	441,540	(30,054)	398,277
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>520,965</u>	<u>471,594</u>	<u>441,540</u>	<u>(30,054)</u>	<u>398,277</u>
Net change in fund balance	-	-	(1)	(1)	1
Fund balance, beginning of year	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 1</u>

COUNTY OF OTTAWA

**CONCEALED PISTOL LICENSING (2631)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	29,160	29,160	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	120,000	120,000	78,599	(41,401)	112,683
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>107,759</u>	<u>(12,241)</u>	<u>112,683</u>
Expenditures					
Current operations					
Personnel services	63,496	63,496	48,976	14,520	56,642
Supplies	7,000	7,000	6,022	978	9,038
Other services and charges	12,489	12,489	12,187	302	11,069
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>82,985</u>	<u>82,985</u>	<u>67,185</u>	<u>15,800</u>	<u>76,749</u>
Revenues over (under) expenditures	<u>37,015</u>	<u>37,015</u>	<u>40,574</u>	<u>3,559</u>	<u>35,934</u>
Other financing sources (uses)					
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	37,015	37,015	40,574	3,559	35,934
Fund balance, beginning of year	<u>156,869</u>	<u>156,869</u>	<u>156,869</u>	<u>-</u>	<u>120,935</u>
Fund balance, end of year	<u>\$ 193,884</u>	<u>\$ 193,884</u>	<u>\$ 197,443</u>	<u>\$ 3,559</u>	<u>\$ 156,869</u>

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
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	395	395	-	395	-
Other services and charges	45,040	45,040	43,116	1,924	43,450
Debt service	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>45,435</u>	<u>45,435</u>	<u>43,116</u>	<u>2,319</u>	<u>43,450</u>
Revenues over (under) expenditures	<u>(45,435)</u>	<u>(45,435)</u>	<u>(43,116)</u>	<u>2,319</u>	<u>(43,450)</u>
Other financing sources (uses)					
Transfers from other funds	44,765	45,435	43,116	(2,319)	42,780
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>44,765</u>	<u>45,435</u>	<u>43,116</u>	<u>(2,319)</u>	<u>42,780</u>
Net change in fund balance	(670)	-	-	-	(670)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>670</u>
Fund balance, end of year	<u>\$ (670)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF OTTAWA

CHILD CARE (2920) SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	3,644,980	3,826,978	4,074,130	247,152	3,376,625
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	<u>1,511,250</u>	<u>1,511,250</u>	<u>1,742,324</u>	<u>231,074</u>	<u>1,589,127</u>
Total revenues	<u>5,156,230</u>	<u>5,338,228</u>	<u>5,816,454</u>	<u>478,226</u>	<u>4,965,752</u>
Expenditures					
Current operations					
Personnel services	5,404,886	5,404,886	4,958,878	446,008	4,815,906
Supplies	301,348	309,048	242,893	66,155	272,874
Other services and charges	4,334,884	4,027,997	3,527,662	500,335	3,708,865
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>10,041,118</u>	<u>9,741,931</u>	<u>8,729,433</u>	<u>1,012,498</u>	<u>8,797,645</u>
Revenues over (under) expenditures	<u>(4,884,888)</u>	<u>(4,403,703)</u>	<u>(2,912,979)</u>	<u>1,490,724</u>	<u>(3,831,893)</u>
Other financing sources (uses)					
Transfers from other funds	4,460,479	3,979,295	3,979,295	-	3,792,422
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>4,460,479</u>	<u>3,979,295</u>	<u>3,979,295</u>	<u>-</u>	<u>3,792,422</u>
Net change in fund balance	(424,409)	(424,408)	1,066,316	1,490,724	(39,471)
Fund balance, beginning of year	<u>924,999</u>	<u>924,999</u>	<u>924,999</u>	<u>-</u>	<u>964,470</u>
Fund balance, end of year	<u>\$ 500,590</u>	<u>\$ 500,591</u>	<u>\$ 1,991,315</u>	<u>\$ 1,490,724</u>	<u>\$ 924,999</u>

COUNTY OF OTTAWA

DEBT SERVICE FUNDS (3010) SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	123,092	123,092	122,655	(437)	135,816
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>123,092</u>	<u>123,092</u>	<u>122,655</u>	<u>(437)</u>	<u>135,816</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	2,815,000	2,815,000	2,815,000	-	3,705,000
Interest and fiscal charges	1,319,877	1,319,877	1,319,327	550	1,415,006
Capital outlay	-	-	-	-	-
Total expenditures	<u>4,134,877</u>	<u>4,134,877</u>	<u>4,134,327</u>	<u>550</u>	<u>5,120,006</u>
Revenues over (under) expenditures	<u>(4,011,785)</u>	<u>(4,011,785)</u>	<u>(4,011,672)</u>	<u>113</u>	<u>(4,984,190)</u>
Other financing sources (uses)					
Transfers from other funds	4,011,785	4,011,785	4,010,972	(813)	4,984,190
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>4,011,785</u>	<u>4,011,785</u>	<u>4,010,972</u>	<u>(813)</u>	<u>4,984,190</u>
Net change in fund balance	-	-	(700)	(700)	-
Fund balance, beginning of year	<u>700</u>	<u>700</u>	<u>700</u>	<u>-</u>	<u>700</u>
Fund balance, end of year	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ (700)</u>	<u>\$ 700</u>

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2018 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	1,446,005	-	(1,446,005)	-
Charges for services	-	318,754	23,797	(294,957)	33,700
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	36,888	36,888	45,451
Licenses and permits	-	-	-	-	-
Rental income	244,480	244,480	256,944	12,464	628,526
Other	-	-	-	-	16,072
Total revenues	<u>244,480</u>	<u>2,009,238</u>	<u>317,629</u>	<u>(1,691,609)</u>	<u>723,749</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>1,854,399</u>	<u>8,639,261</u>	<u>3,044,217</u>	<u>5,595,044</u>	<u>1,647,010</u>
Total expenditures	<u>1,854,399</u>	<u>8,639,261</u>	<u>3,044,217</u>	<u>5,595,044</u>	<u>1,647,010</u>
Revenues over (under) expenditures	<u>(1,609,919)</u>	<u>(6,630,022)</u>	<u>(2,726,588)</u>	<u>3,903,434</u>	<u>(923,261)</u>
Other financing sources (uses)					
Transfers from other funds	1,849,289	4,261,553	2,153,631	(2,107,922)	1,567,323
Transfers to other funds	<u>(316,813)</u>	<u>(514,879)</u>	<u>(514,879)</u>	<u>-</u>	<u>(379,974)</u>
Total other financing sources (uses)	<u>1,532,476</u>	<u>3,746,674</u>	<u>1,638,752</u>	<u>(2,107,922)</u>	<u>1,187,349</u>
Net change in fund balance	(77,443)	(2,883,348)	(1,087,836)	1,795,512	264,088
Fund balance, beginning of year	<u>4,259,555</u>	<u>4,259,555</u>	<u>4,259,555</u>	<u>-</u>	<u>3,995,467</u>
Fund balance, end of year	<u>\$ 4,182,112</u>	<u>\$ 1,376,207</u>	<u>\$ 3,171,719</u>	<u>\$ 1,795,512</u>	<u>\$ 4,259,555</u>

COUNTY OF OTTAWA

BUILDING AUTHORITY (4690) SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2018 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
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	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>-</u>	<u>130,000</u>	<u>16,266</u>	<u>113,734</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>130,000</u>	<u>16,266</u>	<u>113,734</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>(130,000)</u>	<u>(16,266)</u>	<u>113,734</u>	<u>-</u>
Other financing sources (uses)					
Transfers from other funds	-	500,000	500,000	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	370,000	483,734	113,734	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 370,000</u>	<u>\$ 483,734</u>	<u>\$ 113,734</u>	<u>\$ -</u>

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2019
(with comparative totals at September 30, 2018)

	Innovation and Technology (6360)	Duplicating (6450)	Telecom- munications (6550)	Equipment Pool (6641)
Assets				
Current assets				
Cash and pooled investments	\$ 799,833	\$ 680,605	\$ 1,264,195	\$ 1,160,327
Investments	-	-	-	-
Accounts receivable	11,731	-	-	-
Accrued interest on investments	-	-	-	-
Due from other governmental units	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	<u>586,504</u>	<u>-</u>	<u>210,791</u>	<u>-</u>
Total current assets	<u>1,398,068</u>	<u>680,605</u>	<u>1,474,986</u>	<u>1,160,327</u>
Noncurrent assets				
Capital assets				
Office furniture and equipment	-	-	-	9,011,948
Copy machines	-	313,501	-	-
Telephone equipment	-	-	1,847,684	-
Vehicles	-	-	-	5,997,227
Construction In Progress	-	-	-	-
Less accumulated depreciation	<u>-</u>	<u>(257,762)</u>	<u>(1,001,292)</u>	<u>(10,720,866)</u>
Net capital assets	<u>-</u>	<u>55,739</u>	<u>846,392</u>	<u>4,288,309</u>
Total assets	<u>1,398,068</u>	<u>736,344</u>	<u>2,321,378</u>	<u>5,448,636</u>
Liabilities				
Current liabilities				
Accounts payable	122,708	412	36,590	7,681
Interfund payable	-	-	-	-
Current Portion of long-term debt	-	-	-	-
Unearned Revenue	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current liabilities	122,708	412	36,590	7,681
Compensated Absences Payable	-	-	-	-
Total liabilities	<u>122,708</u>	<u>412</u>	<u>36,590</u>	<u>7,681</u>
Net position				
Invested in capital assets	-	55,739	846,392	4,288,309
Unrestricted	<u>1,275,360</u>	<u>680,193</u>	<u>1,438,396</u>	<u>1,152,646</u>
Total net position	<u>\$ 1,275,360</u>	<u>\$ 735,932</u>	<u>\$ 2,284,788</u>	<u>\$ 5,440,955</u>

(Continued)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2019
(with comparative totals at September 30, 2018)

	Protected Self-Funded Insurance Programs <u>(6770)</u>	Employee Benefits <u>(6771)</u>	Protected Self-Funded Unemployment <u>(6772)</u>	Long-Term Disability Insurance <u>(6775)</u>
Assets				
Current assets				
Cash and pooled investments	\$ 71,625	\$ 3,083,994	\$ 1,198,090	\$ 216,877
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Accrued interest on investments	-	-	-	-
Due from other governmental units	-	-	-	-
Due from other funds	3,662,616	-	-	-
Prepaid expenses	<u>52,388</u>	<u>2,902</u>	-	-
Total current assets	<u>3,786,629</u>	<u>3,086,896</u>	<u>1,198,090</u>	<u>216,877</u>
Noncurrent assets				
Capital assets				
Office furniture and equipment	-	-	-	-
Copy machines	-	-	-	-
Telephone equipment	-	-	-	-
Vehicles	-	-	-	-
Construction In Progress	-	-	-	-
Less accumulated depreciation	-	-	-	-
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>3,786,629</u>	<u>3,086,896</u>	<u>1,198,090</u>	<u>216,877</u>
Liabilities				
Current liabilities				
Accounts payable	735,553	23,450	596	17,951
Interfund payable	-	-	-	-
Current Portion of long-term debt	-	-	-	-
Unearned Revenue	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current liabilities	735,553	23,450	596	17,951
Total NonCurrent liabilities	-	-	-	-
Total liabilities	<u>735,553</u>	<u>23,450</u>	<u>596</u>	<u>17,951</u>
Net position				
Invested in capital assets	-	-	-	-
Unrestricted	<u>3,051,076</u>	<u>3,063,446</u>	<u>1,197,494</u>	<u>198,926</u>
Total net position	<u>\$ 3,051,076</u>	<u>\$ 3,063,446</u>	<u>\$ 1,197,494</u>	<u>\$ 198,926</u>

(Continued)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2019
(with comparative totals at September 30, 2018)

	Ottawa County, Michigan Insurance Authority <u>(6780)</u>	DB/DC Conversion <u>6810</u>	Compensated Absences <u>6800</u>	<u>Totals</u>	
				<u>2019</u>	<u>2018</u>
Assets					
Current assets					
Cash and pooled investments	\$ 451,991	\$ 3,945,771	\$ 3,210,363	\$ 16,083,671	\$ 16,218,967
Investments	43,841,494	-	-	43,841,494	42,841,402
Accounts receivable	-	-	-	11,731	243,918
Accrued interest on investments	91,184	-	-	91,184	81,750
Due from other governmental units	-	-	-	-	-
Due from other funds	-	-	-	3,662,616	4,110,760
Prepaid expenses	<u>223,983</u>	<u>-</u>	<u>-</u>	<u>1,076,568</u>	<u>560,887</u>
Total current assets	<u>44,608,652</u>	<u>3,945,771</u>	<u>3,210,363</u>	<u>64,767,264</u>	<u>64,057,684</u>
Noncurrent assets					
Capital assets					
Office furniture and equipment	-	-	-	9,011,948	7,570,336
Copy machines	-	-	-	313,501	290,868
Telephone equipment	-	-	-	1,847,684	2,295,673
Vehicles	-	-	-	5,997,227	6,284,116
Construction In Progress	-	-	-	-	419,737
Less accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,979,920)</u>	<u>(12,400,394)</u>
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,190,440</u>	<u>4,460,336</u>
Total assets	<u>44,608,652</u>	<u>3,945,771</u>	<u>3,210,363</u>	<u>69,957,704</u>	<u>68,518,020</u>
Liabilities					
Current liabilities					
Accounts payable	12,805,239	-	-	13,750,180	13,074,424
Interfund payable	-	-	-	-	311,878
Current Portion of long-term debt	-	-	3,030,197	3,030,197	-
Unearned Revenue	-	-	-	-	144,567
Due to other funds	<u>3,679,410</u>	<u>-</u>	<u>-</u>	<u>3,679,410</u>	<u>4,169,261</u>
Total Current liabilities	16,484,649	-	3,030,197	20,459,787	-
Total NonCurrent liabilities	-	-	93,077	93,077	-
Total liabilities	<u>16,484,649</u>	<u>-</u>	<u>3,123,274</u>	<u>20,552,864</u>	<u>17,700,130</u>
Net position					
Invested in capital assets	-	-	-	5,190,440	4,460,336
Unrestricted	<u>28,124,003</u>	<u>3,945,771</u>	<u>87,089</u>	<u>44,214,400</u>	<u>46,357,554</u>
Total net position	<u>\$ 28,124,003</u>	<u>\$ 3,945,771</u>	<u>\$ 87,089</u>	<u>\$ 49,404,840</u>	<u>\$ 50,817,890</u>

(Concluded)

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

**FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

	Innovation and Technology (6360)	Duplicating (6450)	Telecom- munications (6550)	Equipment Pool (6641)
Operating revenues				
Charges for services	\$ 4,749,522	\$ 52,151	\$ 722,320	\$ 1,612,854
Other revenue	-	-	156	84,311
Total operating revenues	<u>4,749,522</u>	<u>52,151</u>	<u>722,476</u>	<u>1,697,165</u>
Operating expenses				
Personnel services	2,479,413	4,538	149,317	30,495
Contractual services	-	-	-	-
Supplies	152,019	4,446	2,760	-
Depreciation	-	38,434	95,815	1,622,018
Building and equipment rental	324,497	-	-	-
Claims and legal	-	-	-	-
Miscellaneous	1,852,330	-	488,572	6,834
Total operating expenses	<u>4,808,259</u>	<u>47,418</u>	<u>736,464</u>	<u>1,659,347</u>
Operating income (loss)	<u>(58,737)</u>	<u>4,733</u>	<u>(13,988)</u>	<u>37,818</u>
Nonoperating revenues (expenses)				
Investment earnings (loss)	11,974	8,784	17,985	19,190
Net change in the fair value of investments	-	-	-	-
Gain (loss) on retirement of capital assets	-	-	-	123,277
Total nonoperating revenues	<u>11,974</u>	<u>8,784</u>	<u>17,985</u>	<u>142,467</u>
Income (loss) before transfers	(46,763)	13,517	3,997	180,285
Transfers				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(150,000)	-
Total transfers	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>
Change in net position	(46,763)	13,517	(146,003)	180,285
Total net position, beginning of year	<u>1,322,123</u>	<u>722,415</u>	<u>2,430,791</u>	<u>5,260,670</u>
Total net position, end of year	<u>\$ 1,275,360</u>	<u>\$ 735,932</u>	<u>\$ 2,284,788</u>	<u>\$ 5,440,955</u>

(Continued)

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

**FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

	Protected Self-Funded Insurance Programs (6770)	Employee Benefits (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)
Operating revenues				
Charges for services	\$ 212,217	\$ 11,962,666	\$ 425,646	\$ 2,095
Other revenue	-	-	-	-
Total operating revenues	<u>212,217</u>	<u>11,962,666</u>	<u>425,646</u>	<u>2,095</u>
Operating expenses				
Personnel services	173,197	193,166	58,573	8,804
Contractual services	-	-	-	-
Supplies	-	-	-	-
Depreciation	-	-	-	-
Building and equipment rental	-	-	-	-
Claims and legal	-	-	-	-
Miscellaneous	<u>182,589</u>	<u>11,807,329</u>	<u>85,434</u>	<u>106,712</u>
Total operating expenses	<u>355,786</u>	<u>12,000,495</u>	<u>144,007</u>	<u>115,516</u>
Operating income (loss)	<u>(143,569)</u>	<u>(37,829)</u>	<u>281,639</u>	<u>(113,421)</u>
Nonoperating revenues (expenses)				
Investment earnings (loss)	75,986	873,694	13,981	4,029
Net change in the fair value of investments	-	-	-	-
Gain (loss) on retirement of capital assets	-	-	-	-
Total nonoperating revenues	<u>75,986</u>	<u>873,694</u>	<u>13,981</u>	<u>4,029</u>
Income (loss) before transfers	<u>(67,583)</u>	<u>835,865</u>	<u>295,620</u>	<u>(109,392)</u>
Transfers				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(67,583)</u>	<u>835,865</u>	<u>295,620</u>	<u>(109,392)</u>
Total net position, beginning of year	<u>3,118,659</u>	<u>2,227,581</u>	<u>901,874</u>	<u>308,318</u>
Total net position, end of year	<u>\$ 3,051,076</u>	<u>\$ 3,063,446</u>	<u>\$ 1,197,494</u>	<u>\$ 198,926</u>

(Continued)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)

	Ottawa County, Michigan Insurance Authority (6780)	DB/DC Conversion (6810)	Compensated Absences (6800)	Totals	
				2019	2018
Operating revenues					
Charges for services	\$ 1,793,018	\$ -	\$ 3,049,229	\$ 24,581,718	\$ 21,187,717
Other revenue	119,216	2,915,333	-	3,119,016	2,711,384
Total operating revenues	<u>1,912,234</u>	<u>2,915,333</u>	<u>3,049,229</u>	<u>27,700,734</u>	<u>23,899,101</u>
Operating expenses					
Personnel services	-	-	6,010,658	9,108,161	2,810,087
Contractual services	757,295	-	-	757,295	1,013,130
Supplies	-	-	-	159,225	100,905
Depreciation	-	-	-	1,756,267	1,722,855
Building and equipment rental	-	-	-	324,497	308,268
Claims and legal	1,775,028	-	-	1,775,028	1,200,302
Miscellaneous	-	-	-	14,529,800	14,699,161
Total operating expenses	<u>2,532,323</u>	<u>-</u>	<u>6,010,658</u>	<u>28,410,273</u>	<u>21,854,708</u>
Operating income (loss)	<u>(620,089)</u>	<u>2,915,333</u>	<u>(2,961,429)</u>	<u>(709,539)</u>	<u>2,044,393</u>
Nonoperating revenues (expenses)					
Investment earnings (loss)	992,814	50,308	39,824	2,108,569	252,807
Net change in the fair value of investments	316,468	-	-	316,468	1,819,704
Gain (loss) on retirement of capital assets	-	-	-	123,277	99,163
Total nonoperating revenues	<u>1,309,282</u>	<u>50,308</u>	<u>39,824</u>	<u>2,548,314</u>	<u>2,171,674</u>
Income (loss) before transfers	689,193	2,965,641	(2,921,605)	1,838,775	4,216,067
Transfers					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(691,708)	(2,410,117)	-	(3,251,825)	(4,038,304)
Total transfers	<u>(691,708)</u>	<u>(2,410,117)</u>	<u>-</u>	<u>(3,251,825)</u>	<u>(4,038,304)</u>
Change in net position	(2,515)	555,524	(2,921,605)	(1,413,050)	177,763
Total net position, beginning of year	<u>28,126,518</u>	<u>3,390,247</u>	<u>3,008,694</u>	<u>50,817,890</u>	<u>50,640,127</u>
Total net position, end of year	<u>\$ 28,124,003</u>	<u>\$ 3,945,771</u>	<u>\$ 87,089</u>	<u>\$ 49,404,840</u>	<u>\$ 50,817,890</u>

(Concluded)

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

	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	\$ 4,749,520	\$ 52,151	\$ 722,476	\$ 1,697,165	\$ (99,661)	\$ 12,214,687
Cash payments to suppliers for goods and services	(2,709,372)	(4,119)	(687,929)	(449,319)	(179,647)	(11,761,021)
Cash payments for self-funded insurance claims	-	-	-	-	-	-
Cash payments to employees for services	(2,479,413)	(4,538)	(149,317)	(30,495)	(173,197)	(193,166)
Net cash provided by (used for) operating activities	<u>(439,265)</u>	<u>43,494</u>	<u>(114,770)</u>	<u>1,217,351</u>	<u>(452,505)</u>	<u>260,500</u>
Cash flow from noncapital financing activities						
Transfers out to other funds	-	-	(150,000)	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flow from capital and related financing activities						
Acquisition of capital assets	-	(30,161)	(450,596)	(2,005,614)	-	-
Proceeds from sale of equipment	-	-	-	123,277	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(30,161)</u>	<u>(450,596)</u>	<u>(1,882,337)</u>	<u>-</u>	<u>-</u>
Cash flow from investing activities						
Purchase of investments	-	-	-	-	-	-
Interest on investments	11,974	8,784	17,985	19,190	524,130	873,694
Proceeds from sale of investments	-	-	-	-	-	-
Net cash provided by (used for) investing activities	<u>11,974</u>	<u>8,784</u>	<u>17,985</u>	<u>19,190</u>	<u>524,130</u>	<u>873,694</u>
Net increase (decrease) in cash and pooled investments	(427,291)	22,117	(697,381)	(645,796)	71,625	1,134,194
Cash and pooled investments, beginning of year	<u>1,227,124</u>	<u>658,488</u>	<u>1,961,576</u>	<u>1,806,123</u>	<u>-</u>	<u>1,949,800</u>
Cash and pooled investments, end of year	<u>\$ 799,833</u>	<u>\$ 680,605</u>	<u>\$ 1,264,195</u>	<u>\$ 1,160,327</u>	<u>\$ 71,625</u>	<u>\$ 3,083,994</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ (58,737)	\$ 4,733	\$ (13,988)	\$ 37,818	\$ (143,569)	\$ (37,829)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	-	38,434	95,815	1,622,018	-	-
Change in assets and liabilities not affecting cash provided by (used for) operating activities						
(Increase) decrease in receivables	(2)	-	-	-	-	252,021
(Increase) decrease in due from other funds	-	-	-	-	-	-
(Increase) decrease in prepaid expenses	(354,521)	-	(208,771)	-	-	70,149
Increase (decrease) in unpaid claims liability	-	-	-	-	-	-
Increase (decrease) in unearned revenue	-	-	-	-	-	-
Increase (decrease) in accounts payable	(26,005)	327	12,174	(442,485)	2,942	(23,841)
Increase (decrease) in current portion of long-term debt	-	-	-	-	-	-
Increase (decrease) in due to other funds	-	-	-	-	(311,878)	-
Increase (decrease) in total noncurrent liabilities	-	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (439,265)</u>	<u>\$ 43,494</u>	<u>\$ (114,770)</u>	<u>\$ 1,217,351</u>	<u>\$ (452,505)</u>	<u>\$ 260,500</u>

(Continued)

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2019
(with comparative totals for year ended September 30, 2018)**

	Protected	Long-Term	Ottawa County,	DB/DC	Compensated	Totals	
	Self-Funded Unemployment (6772)	Disability Insurance (6775)	Michigan Insurance Authority (6780)	Conversion (6810)	Absences (6800)	2019	2018
Cash flow from operating activities							
Cash received from interfund services provided	\$ 425,646	\$ 2,095	\$ 1,767,667	\$ 2,915,333	\$ 3,365	\$ 24,450,444	\$ 24,353,301
Cash payments to suppliers for goods and services	(104,450)	(124,145)	(506,645)	-	-	(16,526,647)	(14,450,729)
Cash payments for self-funded insurance claims	-	-	(1,032,282)	-	-	(1,032,282)	(973,264)
Cash payments to employees for services	(58,573)	(8,804)	(336,524)	-	158,480	(3,275,547)	(3,318,213)
Net cash provided by (used for) operating activities	<u>262,623</u>	<u>(130,854)</u>	<u>(107,784)</u>	<u>2,915,333</u>	<u>161,845</u>	<u>3,615,968</u>	<u>5,611,095</u>
Cash flow from noncapital financing activities							
Transfers out to other funds	-	-	(691,708)	(2,410,117)	-	(3,251,825)	(4,038,304)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(691,708)</u>	<u>(2,410,117)</u>	<u>-</u>	<u>(3,251,825)</u>	<u>(4,038,304)</u>
Cash flow from capital and related financing activities							
Acquisition of capital assets	-	-	-	-	-	(2,486,371)	(2,128,708)
Proceeds from sale of equipment	-	-	-	-	-	123,277	100,194
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,363,094)</u>	<u>(2,028,514)</u>
Cash flow from investing activities							
Purchase of investments	-	-	(27,135,046)	-	-	(27,135,046)	(18,235,978)
Interest on investments	13,981	4,029	983,380	50,308	39,824	2,547,279	83,204
Proceeds from sale of investments	-	-	26,451,422	-	-	26,451,422	17,469,810
Net cash provided by (used for) investing activities	<u>13,981</u>	<u>4,029</u>	<u>299,756</u>	<u>50,308</u>	<u>39,824</u>	<u>1,863,655</u>	<u>(682,964)</u>
Net increase (decrease) in cash and pooled investments	276,604	(126,825)	(499,736)	555,524	201,669	(135,296)	(1,138,687)
Cash and pooled investments, beginning of year	<u>921,486</u>	<u>343,702</u>	<u>951,727</u>	<u>3,390,247</u>	<u>3,008,694</u>	<u>16,218,967</u>	<u>17,357,654</u>
Cash and pooled investments, end of year	<u>\$ 1,198,090</u>	<u>\$ 216,877</u>	<u>\$ 451,991</u>	<u>\$ 3,945,771</u>	<u>\$ 3,210,363</u>	<u>\$ 16,083,671</u>	<u>\$ 16,218,967</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities							
Operating income (loss)	\$ 281,639	\$ (113,421)	\$ (620,089)	\$ 2,915,333	\$ (2,961,429)	\$ (709,539)	\$ 2,044,393
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities							
Depreciation	-	-	-	-	-	1,756,267	1,722,855
Change in assets and liabilities not affecting cash provided by (used for) operating activities							
(Increase) decrease in receivables	-	-	-	-	-	252,019	(2,245)
(Increase) decrease in due from other funds	-	-	-	-	-	-	-
(Increase) decrease in prepaid expenses	-	-	(22,538)	-	-	(515,681)	7,156
Increase (decrease) in unpaid claims liability	-	-	1,187,804	-	-	1,187,804	631,929
Increase (decrease) in unearned revenue	-	-	(144,567)	-	-	(144,567)	144,567
Increase (decrease) in accounts payable	(19,016)	(17,433)	(18,543)	-	-	(531,880)	528,743
Increase (decrease) in current portion of long-term debt	-	-	-	-	3,030,197	3,030,197	-
Increase (decrease) in due to other funds	-	-	(489,851)	-	-	(801,729)	533,697
Increase (decrease) in total noncurrent liabilities	-	-	-	-	93,077	93,077	-
Net cash provided by (used for) operating activities	<u>\$ 262,623</u>	<u>\$ (130,854)</u>	<u>\$ (107,784)</u>	<u>\$ 2,915,333</u>	<u>\$ 161,845</u>	<u>\$ 3,615,968</u>	<u>\$ 5,611,095</u>

Noncash investing activities

The change in fair value of investments for the internal service funds was \$316,468.

(Concluded)

COUNTY OF OTTAWA
AGENCY FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2019
(with comparative totals at September 30, 2018)

	<u>Trust and Agency 7010</u>	<u>Juvenile Court 7015</u>	<u>Library Penal Fine 7210</u>	<u>Imprest Payroll 7040</u>	<u>Inland Lake Improvement 8725</u>	<u>Totals</u>	
						<u>2019</u>	<u>2018</u>
Assets							
Cash and pooled investments	\$ 38,773,322	\$ 2,421	\$ 222,931	\$ 1,247,692	\$ 235,542	\$ 40,481,908	\$ 24,769,029
Accounts receivable	3,866	-	-	1,538	-	5,404	6,032
Due from other governmental units	<u>395,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>395,564</u>	<u>263,753</u>
Total assets	<u>\$ 39,172,752</u>	<u>\$ 2,421</u>	<u>\$ 222,931</u>	<u>\$ 1,249,230</u>	<u>\$ 235,542</u>	<u>\$ 40,882,876</u>	<u>\$ 25,038,814</u>
Liabilities							
Due to other governmental units:							
Due to State of Michigan	\$ 38,523,952	\$ -	\$ -	\$ 1,249,230	\$ -	\$ 39,773,182	\$ 23,146,251
Fines and fees due to local libraries	-	-	222,891	-	-	222,891	205,778
Agency deposits	<u>648,800</u>	<u>2,421</u>	<u>40</u>	<u>-</u>	<u>235,542</u>	<u>886,803</u>	<u>1,686,785</u>
Total liabilities	<u>\$ 39,172,752</u>	<u>\$ 2,421</u>	<u>\$ 222,931</u>	<u>\$ 1,249,230</u>	<u>\$ 235,542</u>	<u>\$ 40,882,876</u>	<u>\$ 25,038,814</u>

COUNTY OF OTTAWA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Trust and agency fund (7010)

	Balance October 1, <u>2018</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2019</u>
Assets				
Cash and pooled investments	\$ 23,231,186	\$ 147,066,929	\$ 131,524,793	\$ 38,773,322
Accounts receivable	6,032	2,199,560	2,201,726	3,866
Due from other governmental units	<u>263,753</u>	<u>3,188,339</u>	<u>3,056,528</u>	<u>395,564</u>
Total assets	<u>\$ 23,500,971</u>	<u>\$ 152,454,828</u>	<u>\$ 136,783,047</u>	<u>\$ 39,172,752</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ 22,055,382	\$ 125,546,360	\$ 109,077,790	\$ 38,523,952
Agency deposits	<u>1,445,589</u>	<u>108,876,020</u>	<u>109,672,809</u>	<u>648,800</u>
Total liabilities	<u>\$ 23,500,971</u>	<u>\$ 234,422,380</u>	<u>\$ 218,750,599</u>	<u>\$ 39,172,752</u>

Juvenile Court fund (7015)

Assets				
Cash and pooled investments	\$ 2,481	\$ 44,893	\$ 44,953.00	\$ 2,421
Total assets	<u>\$ 2,481</u>	<u>\$ 44,893</u>	<u>\$ 44,953.00</u>	<u>\$ 2,421</u>
Liabilities				
Agency deposits	\$ 2,481	\$ 93,653	\$ 93,713	\$ 2,421
Total liabilities	<u>\$ 2,481</u>	<u>\$ 93,653</u>	<u>\$ 93,713</u>	<u>\$ 2,421</u>

(Continued)

COUNTY OF OTTAWA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Library penal fine fund (7210)

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
Assets				
Cash and pooled investments	\$ 205,778	\$ 1,014,227	\$ 997,074	\$ 222,931
Total assets	<u>\$ 205,778</u>	<u>\$ 1,014,227</u>	<u>\$ 997,074</u>	<u>\$ 222,931</u>
Liabilities				
Due to other governmental units				
Fines and fees due to local libraries	205,778	\$ 865,415	\$ 848,302	\$ 222,891
Agency deposits	\$ -	301,305	301,265	40
Total liabilities	<u>\$ 205,778</u>	<u>\$ 1,166,720</u>	<u>\$ 1,149,567</u>	<u>\$ 222,931</u>

Imprest payroll fund (7040)

Assets				
Cash and pooled investments	\$ 1,135,452	\$ 16,707,926	\$ 16,595,686	\$ 1,247,692
Accounts receivable	-	1,538	-	1,538
Due from other governmental units	-	-	-	-
Total assets	<u>\$ 1,135,452</u>	<u>\$ 16,709,464</u>	<u>\$ 16,595,686</u>	<u>\$ 1,249,230</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ 1,090,869	\$ 16,247,953	\$ 16,089,592	\$ 1,249,230
Fines and fees due to local libraries	-	-	-	-
Agency deposits	44,583	31,540,726	31,585,309	-
Total liabilities	<u>\$ 1,135,452</u>	<u>\$ 47,788,679</u>	<u>\$ 47,674,901</u>	<u>\$ 1,249,230</u>

(Continued)

COUNTY OF OTTAWA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Inland lake improvement (8725)

	Balance			Balance
	October 1,	Additions	Deductions	September 30,
	<u>2018</u>			<u>2019</u>
Assets				
Cash and pooled investments	\$ 194,132	\$ 144,747	\$ 103,337	\$ 235,542
Total assets	<u>\$ 194,132</u>	<u>\$ 144,747</u>	<u>\$ 103,337</u>	<u>\$ 235,542</u>
Liabilities				
Agency deposits	\$ 194,132	\$ 93,271	\$ 51,861	\$ 235,542
Total liabilities	<u>\$ 194,132</u>	<u>\$ 93,271</u>	<u>\$ 51,861</u>	<u>\$ 235,542</u>

Total agency funds

Assets				
Cash and pooled investments	\$ 24,769,029	\$ 164,978,722	\$ 149,220,890	\$ 40,481,908
Accounts receivable	6,032	2,201,098	2,201,726	5,404
Due from other governmental units	<u>263,753</u>	<u>3,188,339</u>	<u>3,056,528</u>	<u>395,564</u>
Total assets	<u>\$ 25,038,814</u>	<u>\$ 170,368,159</u>	<u>\$ 154,479,144</u>	<u>\$ 40,882,876</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ 23,146,251	\$ 141,794,313	\$ 125,167,382	\$ 39,773,182
Fines and fees due to local libraries	205,778	865,415	848,302	222,891
Agency deposits	<u>1,686,785</u>	<u>140,904,975</u>	<u>141,611,244</u>	<u>886,803</u>
Total liabilities	<u>\$ 25,038,814</u>	<u>\$ 283,564,703</u>	<u>\$ 267,626,928</u>	<u>\$ 40,882,876</u>

(Concluded)

STATISTICAL

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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	152
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	158
Debt Capacity 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.	162
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	165
Operating Information 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.	168

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									
	2019	2018	2017	2016*	2015	2014	2013	2012	2011	2010
Governmental Activities										
Net investment in capital assets										
Restricted	\$ 129,008,763	\$ 120,840,301	\$ 114,312,426	\$ 111,255,538	\$ 112,970,569	\$ 112,174,398	\$ 104,330,730	\$ 113,151,478	\$ 112,014,491	\$ 109,387,852
Unrestricted	16,262,305	14,787,103	19,151,144	22,089,108	22,685,963	20,170,121	20,227,256	19,273,135	17,801,312	19,421,942
Total Governmental Activities Net Position	<u>9,010,854</u>	<u>9,147,837</u>	<u>12,293,198</u>	<u>15,217,024</u>	<u>16,048,186</u>	<u>67,896,554</u>	<u>77,718,270</u>	<u>68,670,542</u>	<u>64,920,525</u>	<u>59,447,035</u>
	<u>154,281,922</u>	<u>144,775,241</u>	<u>145,756,768</u>	<u>148,561,670</u>	<u>151,704,718</u>	<u>200,241,073</u>	<u>202,276,256</u>	<u>201,095,155</u>	<u>194,736,328</u>	<u>188,256,829</u>
Business-Type Activities										
Net investment in capital assets										
Restricted	1,924,772	1,932,436	1,783,468	1,777,050	1,682,228	1,489,576	1,170,787	530,943	447,167	222,198
Unrestricted	18,913,489	19,204,356	20,145,854	21,264,376	20,599,457	21,646,866	22,579,168	23,478,259	23,576,310	24,049,598
Total Business-Type Activities Net Position	<u>20,838,261</u>	<u>21,136,792</u>	<u>21,929,322</u>	<u>23,041,426</u>	<u>22,281,685</u>	<u>23,136,442</u>	<u>23,749,955</u>	<u>24,009,202</u>	<u>24,023,477</u>	<u>24,271,796</u>
Primary Government										
Net investment in capital assets	129,008,763	120,840,301	114,312,426	111,255,538	112,970,569	112,174,398	104,330,730	113,151,478	112,014,491	109,387,852
Restricted	18,187,077	16,719,539	20,934,612	23,866,158	24,368,191	21,659,697	21,398,043	19,804,078	18,248,479	19,644,140
Unrestricted	27,924,343	28,352,193	32,439,052	36,481,400	36,647,643	89,543,420	100,297,438	92,148,801	88,496,835	83,496,633
Total Primary Government Net Position	<u>\$ 175,120,183</u>	<u>\$ 165,912,033</u>	<u>\$ 167,686,090</u>	<u>\$ 171,603,096</u>	<u>\$ 173,986,403</u>	<u>\$ 223,377,515</u>	<u>\$ 226,026,211</u>	<u>\$ 225,104,357</u>	<u>\$ 218,759,805</u>	<u>\$ 212,528,625</u>

*2016 represents a nine-month period due to the change in the County's fiscal year end from December 31 to September 30.

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

	Fiscal Year									
	2019	2018	2017	2016*	2015	2014	2013	2012	2011	2010
Expenses										
Governmental Activities:										
Legislative	\$ 548,540	\$ 546,898	\$ 496,618	\$ 386,596	\$ 467,155	\$ 441,294	\$ 399,151	\$ 459,777	\$ 428,578	\$ 476,002
Judicial	21,779,336	19,996,417	19,681,855	15,951,012	16,995,782	16,209,766	15,693,406	15,783,718	14,502,573	13,855,839
General government	17,002,751	16,776,198	17,297,785	13,037,515	14,214,900	14,509,005	14,013,699	13,580,523	15,447,894	16,425,170
Public safety	41,312,780	38,499,682	38,637,388	30,498,813	32,905,190	33,036,226	31,265,666	30,932,957	28,476,232	28,915,634
Public works	7,101,848	6,079,105	7,427,436	5,936,308	1,113,013	1,717,110	956,091	300,235	2,446,691	1,625,519
Health and welfare	68,887,815	65,712,292	62,398,481	60,825,404	64,251,760	66,399,041	63,709,147	67,599,332	63,874,693	63,386,274
Community and economic development	1,206,248	1,330,165	1,257,029	953,552	1,090,188	807,476	710,324	742,845	621,591	572,601
Culture and recreation	4,620,440	5,425,261	4,959,772	3,931,818	5,059,018	3,559,748	3,502,223	3,103,891	3,218,940	2,979,627
Interest on long-term debt	1,186,589	1,270,256	1,346,413	1,045,275	1,578,129	1,163,255	942,708	959,132	1,039,869	1,120,937
Total Governmental Activities Expenses	163,646,347	155,636,274	153,502,777	132,566,293	137,675,135	137,842,921	131,192,415	133,462,410	130,057,061	129,357,603
Business-Type Activities:										
Delinquent tax collection	195,374	175,351	187,444	153,157	2,004,536	2,025,379	2,110,897	2,088,653	2,565,380	2,619,364
Total Business-Type Activities Expenses	195,374	175,351	187,444	153,157	2,004,536	2,025,379	2,110,897	2,088,653	2,565,380	2,619,364
Total Primary Government Expenses	\$ 163,841,721	\$ 155,811,625	\$ 153,690,221	\$ 132,719,450	\$ 139,679,671	\$ 139,868,300	\$ 133,303,312	\$ 135,551,063	\$ 132,622,441	\$ 131,976,967
Program Revenues										
Governmental Activities:										
Charges for services:										
Legislative	\$ 3,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	4,369,583	4,637,020	4,632,745	3,515,097	4,258,011	4,131,540	4,298,591	4,428,208	4,321,400	4,264,283
General government	7,619,076	7,389,210	8,226,407	5,998,183	7,531,480	7,755,264	8,261,854	7,936,150	7,212,417	6,889,492
Public safety	9,776,054	8,786,361	9,550,539	6,216,667	7,549,221	7,310,998	6,726,691	7,833,957	6,012,143	6,394,977
Public works	526,239	509,009	474,008	308,126	376,166	378,009	337,849	363,870	389,376	349,904
Health and welfare	3,914,670	3,571,371	3,804,723	3,449,260	3,421,008	2,994,799	2,810,393	2,910,475	2,882,631	2,453,458
Community and economic development	128,242	187,596	188,780	62,968	225,426	52,968	35,830	2,873	22,095	18,552
Culture and recreation	837,996	757,716	943,525	628,278	716,220	600,025	788,511	460,470	470,163	474,325
Interest on long-term debt	-	-	-	-	2,044,122	1,821,294	1,815,585	1,822,460	2,382,030	2,388,298
Operating grants and contributions	73,019,233	63,743,292	55,720,530	52,522,855	61,175,917	60,350,883	58,200,664	62,917,831	61,739,527	59,359,989
Capital grants and contributions	-	-	1,311,181	-	-	-	92,595	2,293,472	1,653,505	446,900
Total Governmental Activities Program Revenues	100,194,464	89,581,575	84,852,438	72,701,434	87,297,571	85,395,780	83,368,563	90,969,766	87,085,287	83,040,178
Business-Type Activities:										
Charges for services:										
Delinquent tax collection	908,033	990,143	893,074	915,284	1,162,809	1,300,687	2,015,105	2,064,177	2,307,223	2,113,782
Total Business-Type Activities Program Revenues	908,033	990,143	893,074	915,284	1,162,809	1,300,687	2,015,105	2,064,177	2,307,223	2,113,782
Total Primary Government Program Revenues	\$ 101,102,497	\$ 90,571,718	\$ 85,745,512	\$ 73,616,718	\$ 88,460,380	\$ 86,696,467	\$ 85,383,668	\$ 93,033,943	\$ 89,392,510	\$ 85,153,960

*2016 represents a nine-month period due to the change in the County's fiscal year end from December 31 to September 30.

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

	Fiscal Year									
	2019	2018	2017	2016*	2015	2014	2013	2012	2011	2010
Net (Expense)/Revenue										
Governmental activities	\$ (63,451,883)	\$ (66,054,699)	\$ (68,650,339)	\$ (59,864,859)	\$ (50,377,564)	\$ (52,447,141)	\$ (47,823,852)	\$ (42,492,644)	\$ (42,971,774)	\$ (46,317,425)
Business-type activities	712,659	814,792	705,630	762,127	(841,727)	(724,692)	(95,792)	(24,476)	(258,157)	(505,582)
Total Primary Government Net Expense	<u>\$ (62,739,224)</u>	<u>\$ (65,239,907)</u>	<u>\$ (67,944,709)</u>	<u>\$ (59,102,732)</u>	<u>\$ (51,219,291)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 63,268,299	\$ 54,827,335	\$ 54,696,231	\$ 49,877,687	\$ 44,583,727	\$ 42,185,402	\$ 41,102,695	\$ 40,693,219	\$ 41,220,281	\$ 42,348,687
Unrestricted grants and contributions	4,803,626	5,639,410	6,036,965	4,462,913	4,729,722	4,124,536	3,180,245	3,659,304	6,003,393	51,346
Investment earnings	3,202,576	2,790,127	3,785,952	2,135,192	1,090,878	2,717,490	3,509,045	3,233,155	1,362,564	3,206,795
Miscellaneous	15,490	-	11,986	21,727	472,033	1,234,530	1,448,322	1,113,633	701,587	780,973
Transfers	1,668,575	1,816,300	1,814,150	226,145	150,000	150,000	152,440	152,160	163,448	189,008
Total Governmental Activities	<u>\$ 72,958,566</u>	<u>\$ 65,073,172</u>	<u>\$ 66,345,284</u>	<u>\$ 56,723,664</u>	<u>\$ 51,026,360</u>	<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>
Business-Type Activities:										
Unrestricted grants		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89	\$ -	\$ -	\$ -
Investment earnings	657,385	208,978	(3,584)	223,759	136,970	261,179	(13,544)	160,201	159,838	200,078
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	(1,668,575)	(1,816,300)	(1,814,150)	(226,145)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Total Business-Type Activities	<u>(1,011,190)</u>	<u>(1,607,322)</u>	<u>(1,817,734)</u>	<u>(2,386)</u>	<u>(13,030)</u>	<u>111,179</u>	<u>(163,455)</u>	<u>10,201</u>	<u>9,838</u>	<u>50,078</u>
Total Primary Government	<u>\$ 71,947,376</u>	<u>\$ 63,465,850</u>	<u>\$ 64,527,550</u>	<u>\$ 56,721,278</u>	<u>\$ 51,013,330</u>	<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>
Changes in Net Position										
Governmental activities	\$ 9,506,683	\$ (981,527)	\$ (2,305,055)	\$ (3,141,195)	\$ 648,796	\$ (2,035,183)	\$ 1,568,895	\$ 6,358,827	\$ 6,479,499	\$ 259,384
Business-type activities	(298,531)	(792,530)	(1,112,104)	759,741	(854,757)	(613,513)	(259,247)	(14,275)	(248,319)	(455,504)
Total Primary Government	<u>\$ 9,208,152</u>	<u>\$ (1,774,057)</u>	<u>\$ (3,417,159)</u>	<u>\$ (2,381,454)</u>	<u>\$ (205,961)</u>	<u>\$ (2,648,696)</u>	<u>\$ 1,309,648</u>	<u>\$ 6,344,552</u>	<u>\$ 6,231,180</u>	<u>\$ (196,120)</u>

*2016 represents a nine-month period due to the change in the County's fiscal year end from December 31 to September 30.

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

	Fiscal Year									
	2019	2018	2017	2016*	2015	2014	2013	2012	2011	2010
General Fund										
Reserved										
Unreserved										
Nonspendable	\$ 485,832	\$ 549,625	\$ 430,204	\$ 424,706	\$ 444,102	\$ 642,649	\$ 816,756	\$ 952,893	\$ 1,063,101	\$ 1,211,907
Restricted	10,294,141	9,866,808	9,905,141	9,985,518	11,020,236	11,019,013	14,172,606	13,484,895	3,895,553	3,621,836
Committed	10,206,281	7,631,003	8,077,078	14,320,359	15,003,982	16,602,224	20,196,920	18,143,143	24,208,298	21,236,492
Assigned	1,388,402	1,376,264	3,286,151	3,084,268	2,852,701	1,821,126	2,857,105	3,102,893	2,892,842	2,124,534
Unassigned	18,089,668	18,352,111	18,995,458	18,841,248	9,971,344	13,251,045	9,918,253	12,055,123	13,705,990	10,596,307
Total General Fund	<u>\$ 40,464,324</u>	<u>\$ 37,775,811</u>	<u>\$ 40,694,032</u>	<u>\$ 46,656,099</u>	<u>\$ 39,292,365</u>	<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>
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue funds										
Capital projects funds										
Permanent funds										
Debt service funds										
Nonspendable	\$ 479,792	\$ 413,478	\$ 478,702	\$ 385,645	\$ 374,645	\$ 509,221	\$ 468,989	\$ 675,596	\$ 480,256	\$ 234,865
Restricted	5,968,164	4,920,295	9,240,238	12,097,819	11,659,957	9,339,384	8,747,803	4,650,108	4,585,792	6,653,473
Committed	3,655,950	4,200,023	1,335	664	2,246	415	897	1,871	1,500	1,000
Assigned	4,626,266	4,519,626	4,733,952	2,727,536	2,891,724	2,470,882	2,638,975	2,954,171	2,986,441	4,230,262
	<u>\$ 14,730,172</u>	<u>\$ 14,053,422</u>	<u>\$ 14,454,227</u>	<u>\$ 15,211,664</u>	<u>\$ 14,928,572</u>	<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>

*2016 represents a nine-month period due to the change in the County's fiscal year end from December 31 to September 30.

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 FISCAL YEARS

	Fiscal Year				
	2019	2018	2017	2016*	2015
Revenues					
Taxes	\$ 63,113,428	\$ 54,749,752	\$ 54,703,632	\$ 49,288,581	\$ 43,736,614
Intergovernmental	83,278,104	74,883,395	69,962,344	60,867,666	70,964,433
Charges for services	12,842,469	12,424,545	13,356,448	10,353,455	13,137,167
Fines and forfeits	72,221	92,636	72,511	61,440	69,428
Investment earnings (loss)	918,589	886,227	306,731	813,997	318,138
Licenses and permits	1,505,930	1,520,059	1,393,940	1,292,215	1,271,158
Rental Income	2,452,477	2,558,853	2,213,529	1,581,580	4,272,100
Other revenues	5,017,388	4,261,180	2,738,759	2,884,674	3,086,381
Total Revenues	<u>\$ 169,200,606</u>	<u>151,376,647</u>	<u>144,747,894</u>	<u>127,143,608</u>	<u>136,855,419</u>
Expenditures					
Legislative	535,661	536,062	478,845	343,622	465,069
Judicial	18,388,867	19,581,015	18,944,338	14,174,177	16,881,469
General government	17,096,023	13,650,681	13,411,577	9,552,325	12,713,706
Public safety	38,946,121	36,486,500	35,162,537	25,896,853	32,092,116
Public works	6,859,887	6,284,436	6,156,296	5,787,870	861,849
Health and welfare	66,726,481	64,298,726	60,406,083	57,712,387	63,182,493
Community and economic development	1,168,020	1,288,239	1,212,851	3,270,914	1,088,435
Culture and recreation	3,794,805	3,641,729	3,552,976	-	2,936,867
Other governmental functions	128,249	127,116	124,382	94,215	120,695
Capital outlay	12,977,303	9,535,767	6,190,534	1,795,627	4,405,545
Debt service					
Interest and fiscal charges	1,319,327	1,415,006	1,519,476	785,868	634,278
Principal	2,815,000	3,705,000	3,515,000	365,000	3,595,000
Total Expenditures	<u>170,755,744</u>	<u>160,550,277</u>	<u>150,674,895</u>	<u>119,778,858</u>	<u>138,977,522</u>
Excess of Revenues					
Over (Under) Expenditures	(1,555,138)	(9,173,630)	(5,927,001)	7,364,750	(2,122,103)
Other Financing Sources (Uses)					
Transfers from other funds	20,373,632	17,711,359	16,929,025	10,129,099	13,996,966
Transfers to other funds	(15,453,232)	(11,856,755)	(11,376,250)	(9,845,171)	(13,451,466)
Proceeds from capital lease	-	-	-	-	-
Issuance of land contract	-	-	-	-	-
Issuance of bonds	-	-	-	-	11,955,000
Refunding bonds issued	-	-	-	-	-
Premium(Discount) on bonds issued	-	-	-	-	1,744,362
Payment to refunding bond escrow agent	-	-	-	-	(13,557,781)
Total Other Financing Sources (Uses)	<u>4,920,400</u>	<u>5,854,604</u>	<u>5,552,775</u>	<u>283,928</u>	<u>687,081</u>
Net Change in Fund Balances	<u>\$ 3,365,262</u>	<u>\$ (3,319,026)</u>	<u>\$ (374,226)</u>	<u>\$ 7,648,678</u>	<u>\$ (1,435,022)</u>
Adjustment to Capital Outlay:					
Capital Outlay Govt funds	\$ 12,977,303				
Govt-wide Capital	<u>13,868,313</u>				
Diff	\$ (891,010)				
Debt Service as a					
Percentage of Noncapital Expenditures (1)	2.64%	3.39%	3.48%	0.98%	3.14%

*2016 represents a nine-month period due to the change in the County's fiscal year end from December 31 to September 30.

(1) Capital outlay expenditures have been reduced for purchases not meeting the County's capital asset threshold for this calculation.

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

	Fiscal Year				
	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	122,467,893
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	42,393,192	10,978,892	10,404,481	11,807,932	13,293,991
Public safety	31,928,910	30,990,804	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	63,281,014	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	3,076,797	2,394,183	2,517,148	2,234,518
Other governmental functions	252,124	130,386	129,846	176,388	225,829
Capital outlay	5,273,866	2,293,633	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	132,604,000	132,604,000	140,460,473
Excess of Revenues					
Over (Under) Expenditures	(33,751,619)	(2,109,829)	4,454,061	2,954,149	(17,992,580)
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 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	573,005
Net Change in Fund Balances	\$ (4,162,345)	\$ 3,797,611	\$ 4,906,221	\$ 3,909,097	\$ (17,419,575)

Debt Service as a
Percentage of Noncapital Expenditures (1) 1.95% 2.03% 2.08% 2.47% 2.28%

*2016 represents a nine-month period due to the change in the County's fiscal year end from December 31 to September 30.

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

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

Fiscal Year	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
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%
2015	8,248,944,347	1,375,588,000	1,399,501,800	787,998,600	11,812,032,747	4.8565	10,297,569,794	23,745,651,821	49.74%
2016 (4)	8,908,804,379	1,477,085,350	1,241,413,325	811,063,175	12,438,366,229	5.1483	10,438,660,200	25,063,191,461	49.63%
2017	9,681,721,350	1,647,507,500	1,224,188,800	835,521,947	13,388,939,597	5.1525	10,827,868,387	26,956,142,355	49.67%
2018	10,147,195,838	1,774,305,700	1,108,920,000	855,073,400	13,885,494,938	5.1525	11,270,020,574	27,923,669,274	49.73%
2019	10,987,914,553	1,867,481,700	1,191,998,544	900,802,600	14,948,197,397	5.4449	11,880,407,296	30,080,061,174	49.69%

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.

(4) Fiscal Year 2016 ended September 30, 2016.

**COUNTY OF OTTAWA
DIRECT AND OVERLAPPING PROPERTY TAX RATES (PER \$1,000 OF TAXABLE VALUE)
LAST TEN CALENDAR YEARS**

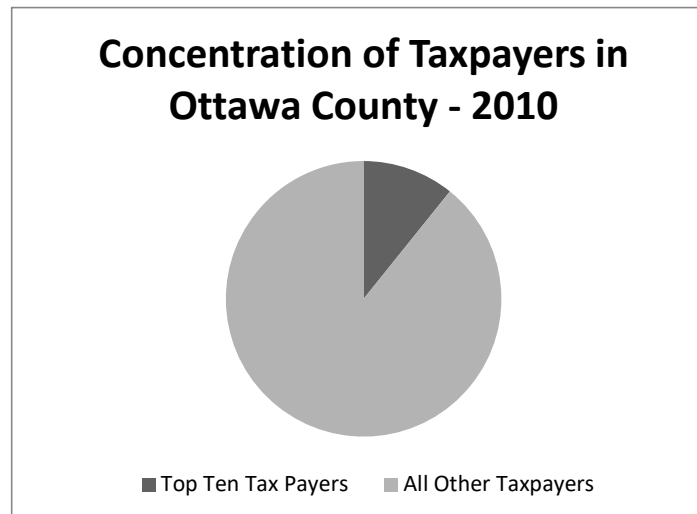
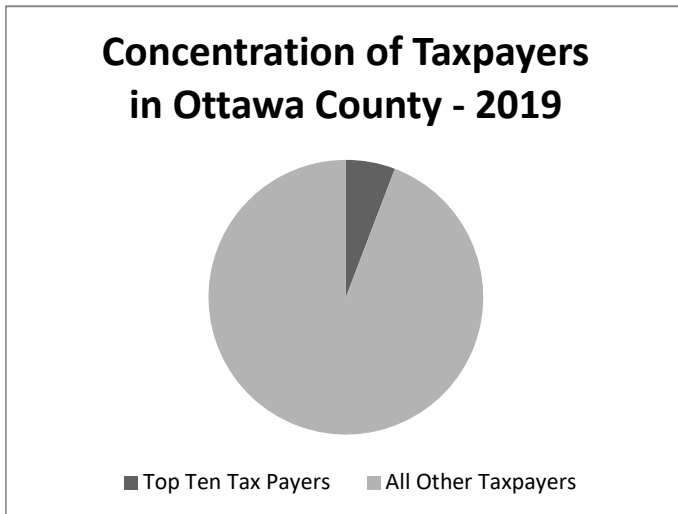
	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
County Direct Rates										
Operating	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.9000
Parks	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3148	0.3277	0.3277	0.3261
E-911	0.4400	0.4400	0.4400	0.4400	0.4400	0.4400	0.4377	0.4346	0.4346	0.4325
Roads						0.5000	0.4974	0.4939	0.4939	0.4915
Community Mental Health							0.2984	0.2963	0.2963	0.2948
Total Direct Rate (1)	4.3565	4.3565	4.3565	4.3565	4.3565	4.8565	5.1483	5.1525	5.1525	5.4449
City and Village Rates										
Coopersville	14.4928	14.5294	14.4403	14.4432	14.3554	14.2923	14.5490	14.5356	14.1174	14.1048
Ferrysburg	10.2377	10.1377	10.5377	10.4518	10.9518	10.9474	10.7773	10.6553	10.5476	10.5591
Grand Haven	14.6124	15.3612	15.3565	15.3609	15.3613	15.1810	15.1541	15.7509	15.5606	15.7108
Holland	16.3913	16.3350	17.3658	17.3639	17.5051	17.4522	17.4627	17.5421	16.8797	18.2391
Hudsonville	11.2848	11.2779	11.2785	11.2719	11.2729	11.2876	11.2952	11.2938	11.2303	11.2996
Zeeland	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354
Spring Lake Village	11.6619	11.6619	11.6619	11.6619	11.6619	10.3600	10.3600	10.3600	10.3600	10.3600
Township Rates	1.45-7.97	1.45-7.91	1.45-8.07	1.38-8.07	1.38-8.21	1.45-8.17	1.45-6.73	2.02-6.72	2.53-7.28	1.45-6.72
School Rates										
Homestead	2.97 - 9.25	2.97 - 9.25	2.97 - 9.25	3.00 - 10.59	3.00 - 10.87	3.00 - 10.94	3.00 - 10.94	4.12-12.00	4.20-12.00	4.20-12.00
Non-Homestead	20.97 - 27.25	20.97 - 27.25	20.97 - 27.25	21.00 - 28.59	21.00 - 28.49	21.00 - 28.94	21.00 - 28.94	22.12-30.00	22.20-30.00	22.20-30.00

(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	2019			2010		
		Assessed Valuation	Rank	Percentage of Total County Assessed Value	Assessed Valuation	Rank	Percentage of Total County Assessed Value
Consumers Energy	Utility	\$ 486,451,866	1	4.09%	\$ 654,895,905	1	6.81%
ARC Holland Real Estate Holdings	Real Estate Holdings	32,210,200	2	0.27%			
Gentex	Automotive Components	29,491,975	3	0.25%	95,295,111	2	0.99%
Michigan Electric Transmission	Utility	26,571,747	4	0.22%	18,503,913	10	0.19%
DTE Gas	Utility	24,636,934	5	0.21%			
Mead Johnson and Co.	Food Products	20,048,055	6	0.17%	55,568,395	3	0.58%
Herman Miller Inc.	Office Furniture	19,117,112	7	0.16%	52,686,915	4	0.55%
Meijer Inc	Retail	17,229,430	8	0.15%			
Request Foods Inc.	Food Products	15,801,835	9	0.13%	22,369,600	9	0.23%
Alden GV Owner LLC		15,778,300	10	0.13%			
Laprimo Foods Inc.	Cheese Production				40,835,104	5	0.42%
Johnson Controls Interiors	Automotive Components				35,191,371	6	0.37%
Shape Corporation	Metal Extrusion				30,171,947	7	0.31%
Bil Mar Foods Inc./Sara Lee	Food Products				30,053,454	8	0.31%
		<u>\$ 687,337,454</u>		<u>5.79%</u>	<u>\$ 1,035,571,715</u>		<u>10.77%</u>

Source: Ottawa County Equalization Department. The 2019 and 2010 total Taxable Values were \$11,880,407,296 and \$9,612,697,661.



**COUNTY OF OTTAWA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Taxes Levied in 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
12/31/2010	\$ 41,800,971	\$ 40,617,242	97.17%	\$ 1,323,082	\$ 41,940,324	100.33%
12/31/2011	40,967,095	39,933,281	97.48%	605,193	40,538,474	98.95%
12/31/2012	40,575,521	39,739,895	97.94%	665,147	40,405,042	99.58%
12/31/2013	41,141,033	40,348,866	98.07%	531,503	40,880,369	99.37%
12/31/2014	41,589,916	40,864,866	98.26%	519,299	41,384,165	99.51%
12/31/2015 (1)	49,551,111	48,826,061	98.54%	270,255	49,096,316	99.08%
9/30/2016 (2)	36,812,648	35,562,568	96.60%	924,535	36,487,103	99.12%
9/30/2017	53,942,306	53,784,953	99.71%	157,353	53,942,306	100.00%
9/30/2018	56,033,310	55,871,645	99.71%	161,665	56,033,310	100.00%
9/30/2019 (3)	62,117,835	61,948,004	99.73%	169,831	62,117,835	100.00%

(1) The County levied a new roads millage in 2015, on behalf of the Ottawa County Road Commission and City governments.

(2) Only the County millage is shown because the County's fiscal year ended September 30, 2016.

(3) The County Operating milage was increased .3 mills

**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) Per Capita Personal Income (2)	Population (2)	Direct Per Capita Debt	Assessed Value (4)	Bonds Percent of Assessed Value
2010	\$ 23,075,000	n/a	\$ 47,391	\$ 23,122,391	0.26%	\$ 8,777,522	\$ 33,233	263,801	\$ 88	\$ 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	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	72	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	85	10,385,574,112	0.22%
2014	50,280,000	n/a	n/a	50,280,000	0.46%	10,866,601	39,330	276,292	182	10,952,303,550	0.46%
2015	46,685,000	n/a	n/a	46,685,000	0.39%	11,931,299	42,619	279,955	167	11,812,032,747	0.40%
2016	46,320,000	n/a	n/a	46,320,000	n/a	n/a	n/a	n/a	n/a	12,438,366,229	0.37%
2017	42,805,000	n/a	n/a	42,805,000	0.34%	12,428,750	44,035	282,250	152	13,388,939,597	0.32%
2018	39,100,000	n/a	n/a	39,100,000	0.30%	13,252,243	46,275	286,383	137	13,885,494,938	0.28%
2019	37,241,426	n/a	n/a	37,241,426	0.26%	14,355,612	49,418	290,494	128	14,948,197,397	0.25%

(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.
Search: Data by Place, Country, Metro, & Other Local Areas, Personal Income by County Metro & Other Areas, Local Area Personal Income, BEA interactive data, then search by State & County US Census - Quick Facts, Ottawa County MI

(4) From Equalization Report

**COUNTY OF OTTAWA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2019**

	Net Debt Outstanding	Percentage Applicable To County of Ottawa	Amount Applicable To County of Ottawa (2)
Direct:			
County at large	\$ 37,241,426	100.0%	\$ 37,241,426
Total Direct	37,241,426		37,241,426
Overlapping:			
Townships Debt Guaranteed by County (1)	94,576,384	100.0%	94,576,384
School districts	1,018,169,300	71.4%	726,536,532
Cities and villages (1)	126,794,341	82.5%	104,630,603
Grand Rapids Community College	33,650,000	1.5%	508,115
Library	6,175,000	100.0%	6,175,000
Holland Area Swimming Pool	23,075,000	69.9%	16,131,733
Total Overlapping	1,302,440,025		948,558,367
Grand Total	\$ 1,339,681,451		\$ 985,799,793

(1) Includes bonds issued through Ottawa County Public Utilities System and 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**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Assessed Value of Property	\$ 14,948,197,397	\$ 13,885,494,938	\$ 13,388,939,597	\$ 12,438,366,229	\$ 11,812,032,747	\$ 10,952,303,550	\$ 10,385,574,112	\$ 10,261,010,969	\$ 10,491,709,804	\$ 10,990,874,852
Debt Limit 10% of Assessed Value	1,494,819,740	1,388,549,494	1,338,893,960	1,243,836,623	1,181,203,275	1,095,230,355	1,038,557,411	1,026,101,097	1,049,170,980	1,099,087,485
Amount of Debt Applicable to Limit										
General Obligation Bond Debt:										
Primary Government	37,241,426	39,100,000	42,805,000	46,320,000	46,685,000	50,280,000	23,135,000	19,330,000	20,965,000	23,075,000
Component Units Guaranteed by County (1)	115,435,798	109,251,565	115,932,332	121,261,099	119,591,501	106,474,501	113,574,060	115,904,572	121,358,501	121,659,501
Other Debt								-	103,499	-
Less: Resources Restricted to										
Paying Principal	(336,643.00)	(375,148)	(412,898)	(451,461)	(490,774)	(530,837)	(451,878)	(611,843)	(636,892)	(684,327)
Total Net debt applicable to Limit	<u>152,340,581</u>	<u>147,976,417</u>	<u>158,324,434</u>	<u>167,129,638</u>	<u>165,785,727</u>	<u>156,223,664</u>	<u>136,257,182</u>	<u>134,622,729</u>	<u>141,790,108</u>	<u>144,050,174</u>
Legal Debt Margin	<u>\$ 1,342,479,159</u>	<u>\$ 1,240,573,077</u>	<u>\$ 1,180,569,526</u>	<u>\$ 1,076,706,985</u>	<u>\$ 1,015,417,548</u>	<u>\$ 939,006,691</u>	<u>\$ 902,300,229</u>	<u>\$ 891,478,368</u>	<u>\$ 907,380,872</u>	<u>\$ 955,037,311</u>
Total Net Debt applicable to the Limit as a percentage of Debt Limit	10.19%	10.66%	11.83%	13.44%	14.04%	14.26%	13.12%	13.12%	13.51%	13.11%
Ratio of Net General Obligation Debt to Assessed Value of Property	1.019%	1.066%	1.183%	1.344%	1.404%	1.426%	1.312%	1.312%	1.351%	1.311%
Debt Per Capita of Total Net General Obligation Debt	\$524.42	\$516.71	\$560.94	n/a	\$592.19	\$564.80	\$498.96	\$499.31	\$532.19	\$546.06
Primary Government Net Debt applicable to the Limit as a percentage of Debt Limit	2.49%	2.82%	3.20%	3.72%	3.95%	4.59%	2.23%	1.88%	2.00%	2.10%
Ratio of Primary Government Net General Obligation Bond Debt to Estimated Actual Value of Property (2)	0.12%	0.14%	0.16%	0.18%	0.20%	0.23%	0.11%	0.09%	0.10%	0.10%
Primary Government Debt Per Capita of Net General Obligation Bond Debt (3)	\$128.20	\$136.53	\$151.66	n/a	\$166.76	\$181.78	\$84.72	\$71.69	\$78.69	\$87.47

(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**

Calendar Year	Population (2)	Personal Income (thousands of dollars) (1)	Per Capita Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2010	263,801	\$ 9,146,294	\$ 34,629	34.7	47,913	10.3%
2011	266,901	9,824,105	36,808	34.9	48,548	8.0%
2012	270,861	10,520,464	38,841	35.4	48,422	6.6%
2013	274,391	10,753,037	39,189	34.7	48,657	6.1%
2014	277,890	11,503,862	41,397	34.7	48,799	4.8%
2015	280,958	12,274,381	43,688	35.0	48,744	3.6%
2016	283,907	12,802,838	45,095	35.0	49,009	3.4%
2017	286,922	13,497,791	47,043	35.2	49,253	3.2%
2018	290,494	14,355,612	49,418	35.2	49,296	2.8%
2019	n/a	n/a	n/a	n/a	n/a	n/a

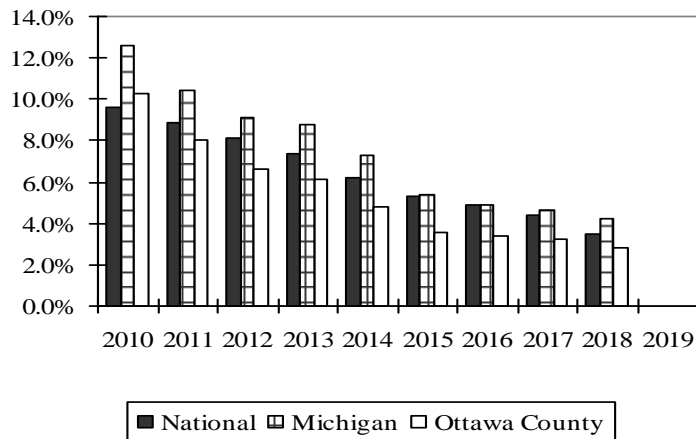
n/a: Final information is unavailable.

Information for 2010-2018 is updated to reflect the most recent data available

Sources:

- (1) U.S. Department of Commerce, Bureau of Economic Analysis, updated with most recent census figures
- (2) U.S. Census Bureau, American Fact Finder, updated with most recent census figures
- (3) Michigan Student Data System, based upon data collected on legislated count day
- (4) Michigan Department of Technology Management & Budget, Michigan Labor Market Information, 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	2019		2010	
		Rank (1)	Percentage of Total County Employment	Rank (1)	Percentage of Total County Employment
Gentex Corporation	Automotive Mirrors	1	3.7%	3	2.1%
Herman Miller	Office Furniture	2	2.5%	1	3.1%
Grand Valley State University (3)	Higher Education	3	2.3%	4	1.6%
Haworth, Inc. (2)	Office Furniture	4	1.4%	6	1.4%
Holland Hospital	Health Care	5	1.4%	5	1.5%
Magna Mirrors (2)	Automotive Mirrors	6	1.2%	8	1.1%
YanFeng	Automotive Interiors	7	1.2%		
Shape Corporation	Metal Roll Forming	8	1.1%	10	0.9%
Meijer	Retailer	9	0.8%	6	1.1%
County of Ottawa	Government	10	0.8%	9	1.0%
Johnson Controls (2)	Automotive Interiors			2	2.2%
		<u>16.3%</u>		<u>16.1%</u>	

(1) Excludes temporary employment agencies

(2) Facilities located within Ottawa County and/or the City of Holland portion of Allegan County

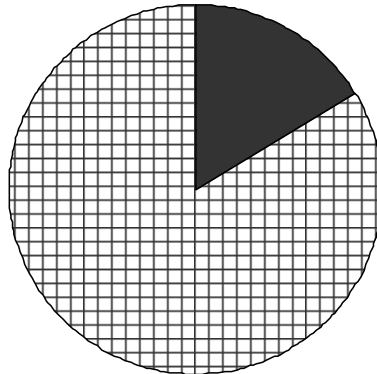
(3) Total of all facilities (Ottawa, Kent & Muskegon Counties)

Sources:

Lakeshore Advantage

Michigan Department of Technology Management & Budget, 2018 Total Employment Based on September 2018 Data, 2009 Based on September 2009

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**

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Legislative	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000
Judicial	166.250	146.240	139.180	139.180	136.020	128.570	126.081	127.060	128.185	125.025
General Government	177.310	173.290	171.165	171.165	170.950	168.090	165.780	166.000	164.482	166.075
Public Safety	242.500	235.200	235.200	236.200	235.200	224.200	219.200	219.200	219.870	219.893
Public Works	4.850	4.250	4.250	4.250	4.250	4.300	3.800	3.400	3.720	4.420
Health and welfare	258.930	263.980	282.030	282.030	344.320	376.460	377.089	344.863	350.175	342.755
Community and economic deveopment	8.400	8.400	8.400	8.400	7.900	6.400	5.900	5.953	5.850	5.950
Culture and recreation	21.380	20.380	19.750	19.750	17.750	17.250	17.250	15.750	16.000	15.000
Total	890.620	862.740	870.975	871.975	927.390	936.270	926.100	893.226	899.282	890.118

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	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Judicial										
Circuit Court										
Total Civil Filings	n/a	350	366	318	328	411	363	443	423	524
Total Criminal Filings	n/a	996	1,013	849	930	922	884	928	918	1,007
Total Appeals Filings	n/a	54	48	59	56	70	60	58	53	49
Domestic Relations Filings	n/a	1,623	1,675	1,742	1,593	1,468	1,587	1,556	1,524	1,473
Personal Protection Filings	n/a	659	665	628	550	580	598	747	783	706
Juvenile Code Filings	n/a	860	1,007	921	1,055	1,023	1,209	1,337	1,413	1,479
Adoption Filings	n/a	148	106	143	118	112	139	120	142	147
Misc. Family Filings	n/a	103	88	90	81	71	76	71	67	72
District Court										
Felony Cases	n/a	1,511	1,471	1,309	1,385	1,390	1,281	1,411	1,378	1,420
Misdemeanor Cases	n/a	7,330	8,053	7,715	7,216	8,136	8,669	9,087	8,630	9,314
General Civil Cases	n/a	5,592	4,845	4,556	4,633	4,210	4,806	6,225	5,672	6,292
Probate Court										
Estates, Trusts Filings	n/a	441	385	391	417	425	371	404	373	372
Civil, Other Filings	n/a	17	11	19	16	23	11	15	10	13
Guardianships, Conservators et al	n/a	695	591	589	611	612	545	516	548	519
Public Safety										
Jail:										
Subjects Admitted	6,080	6,898	6,525	6,365	5,899	6,776	7,015	7,453	7,136	7,622
Average daily population	315.0	338.0	297.0	286.0	301.0	317.0	338.0	352.0	327.8	330.7
Police:										
Calls for Service	n/a	72,879	73,375	70,555	69,830	67,334	65,179	66,683	65,596	64,773
Criminal Arrests	n/a	7,737	8,298	6,760	6,403	6,893	6,307	6,943	6,989	7,748
Traffic Violations	n/a	18,424	18,347	17,034	19,630	19,984	21,494	22,867	21,423	21,321
Health and welfare										
Public Health										
# of Fixed Food Service Inspections	2,098	1,885	1,721	1,617	1,188	1,201	1,183	968	1,047	1,065
% of new entrants enrolled in school immunized	95%	96%	96%	96%	96%	99%	99%	99%	99%	99%
Maternal/Infant Health Services										
# of Visits	1,365	1,896	2,183	2,047	2,026	2,587	3,065	2,804	3,216	3,146
# of Dental Services with Miles of Smiles and Sealant Program	7,553	8,007	8,482	8,754	8,989	8,776	10,163	10,476	9,630	8,981
Mental Health										
# of Persons Served	3,955	4,096	3,750	3,443	2,848	2,798	2,784	3,513	3,276	3,205
Culture and recreation										
Parks:										
# of Operating Days	96	98	95	99	103	96	98	97	101	98
Daily Permits	44,749	43,688	42,924	42,211	41,214	32,693	33,004	36,511	33,267	38,576
Annual Permits	8,260	9,619	9,406	8,734	6,934	7,017	5,981	6,516	5,845	6,420

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

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Register of Deeds:										
# of Deeds Recorded	12,065	11,991	12,172	12,120	11,707	11,099	11,898	11,210	9,559	9,633
County Clerk:										
# of Certified Copies (Births, Deaths, etc.)	24,515	20,796	19,908	19,360	20,173	21,206	20,173	20,076	17,757	19,382
County Treasurer:										
# of Receipts Written - General	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	19,581	16,729
# of Receipts Written - Tax Collections (including online)	4,703	4,627	5,007	4,563	5,575	6,302	6,525	7,295	7,738	8,946
Real Properties Returned Delinquent	3,439	3,276	3,675	3,728	3,991	4,092	4,772	5,396	5,891	6,800
Fiscal Services:										
# of A/P Checks/ACH Processed	20,015	18,321	17,341	19,580	21,471	21,403	23,006	25,074	27,529	24,330
# of Invoices Issued	15,244	11,884	12,715	10,092	9,921	9,227	9,392	12,031	10,526	11,087
Facilities Maintenance:										
# of Work Orders Processed	7,106	6,311	6,188	7,317	5,843	9,890	27,886	39,818	40,540	39,223

Source: Ottawa County Departments

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

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety:										
Vehicular Patrol Units	144	141	139	139	139	139	135	134	133	133
Sheriff's Substations	10	10	10	10	10	10	8	8	8	8
Health and welfare										
Number of Clinics	3	3	3	3	3	3	3	3	3	3
Culture and recreation										
Total Park Acres (1)	4,352	4,192	3,992	3,991	3,542	3,542	3,542	3,542	3,542	3,542
General Government										
Total Square Footage of Buildings	637,810	637,810	637,810	637,810	637,810	644,220	644,220	642,020	642,020	647,104
Number of IT Servers	250	200	175	149	124	124	88	77	62	57

Source: Ottawa County Departments

(1) Does not include Park Open Space

**COUNTY OF OTTAWA
LABOR FORCE STATISTICS
CURRENT FISCAL YEAR**

The County has approximately 891 full-time equivalent employees, approximately 353 of whom are members of the seven unions. The details of membership and states of their agreements are as follows:

	Fiscal Year	
	2019	
	Number of Employees	Expiration Date of Contract
Police Officers Labor Counsel (POLC 312) (P.A. 312 Eligible) Road Patrol/Detectives	118	12/31/2020
Police Officers Association of Michigan (POAM Non-312) (P.A. 312 Non-Eligible)	83	12/31/2020
Police Officers Labor Counsel (POLC 312) (P.A. 312 Eligible)	18	12/31/2020
Police Officers Labor Counsel (POLC Non-312) (P.A. 312 Non-Eligible)	6	12/31/2020
O.C. Employees Association (District Court)	52	12/31/2020
Friend of the Court Employees Association	33	12/31/2020
O.C. Juvenile Court Employees Association	43	12/31/2020
Non-union County employees	538	n/a
Total	891	

There are no labor issues at the present time and the County anticipates no strikes or work stoppages.

Source: Ottawa County Human Resources Department

SINGLE AUDIT



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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

March 24, 2020

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 September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 24, 2020.

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.

Orlando Haefner LLC



Vredeveld Haefner LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

March 24, 2020

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 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2019. 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 federal statutes, regulations and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 September 30, 2019.

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 the Uniform Guidance, 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 a 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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Uredawald Haefner LLC

COUNTY OF OTTAWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Federal Agency/Cluster/Program Title	CFDA Number	Pass Through Agency	Cluster	Pass Through Number	Expenditures
<u>U.S. Department of Agriculture:</u>					
Trade Mitigation Program	10.178	MDE	Agricultural Marketing Service	160990	\$ 2,894.00
Trade Mitigation Program (Food Commodities)	10.178	MDE	Agricultural Marketing Service	160990	63,623.30
					<u>66,517.30</u>
School Breakfast Program	10.553	MDE	Child Nutrition	181970	24,081.40
National School Lunch Program	10.555	MDE	Child Nutrition	181960	37,143.44
National School Lunch Program	10.555	MDE	Child Nutrition	181980	9,950.48
					<u>47,093.92</u>
Total Child Nutrition Cluster					<u>71,175.32</u>
Commodity Supplemental Food Program	10.565	MDE	Food Distribution	160930	29,588.00
Commodity Supplemental Food Program - Commodities	10.565	MDE	Food Distribution	160930	102,024.76
					<u>131,612.76</u>
Emergency Food Assistance Program (Administrative Costs)	10.568	MDE	Food Distribution	160990	95,189.00
Emergency Food Assistance Program (Food Commodities)	10.569	MDE	Food Distribution	160990	171,459.40
					<u>266,648.40</u>
Total Food Distribution Cluster					<u>398,261.16</u>
Total U.S. Department of Agriculture					<u>535,953.78</u>
<u>U.S. Department of Commerce:</u>					
Office of Coastal Management NOAA	11.473	Direct			491,925.08
Coastal Zone Management Administration	11.419	MIDNR		17-WT-006	68,000.00
Total U.S. Department of Commerce					<u>559,925.08</u>
<u>U.S. Department of Housing and Urban Development:</u>					
Continuum of Care Program - HUD 1	14.267	Direct			472,649.00
Continuum of Care Program - HUD 4	14.267	Direct			14,304.00
Total U.S. Department of Housing and Urban Development					<u>486,953.00</u>
<u>U.S. Department of Justice:</u>					
Drug Court Discretionary Grant Program	16.585	Direct			48,635.55
State Criminal Alien Assistance Program	16.606	Direct			45,902.00
Total U.S. Department of Justice					<u>94,537.55</u>
<u>U.S. Department of Treasury:</u>					
Equitable Sharing Program - Asset Forfeiture	20.016	Direct			8,728.57
Total U.S. Department of Treasury					<u>8,728.57</u>
<u>U.S. Department of Transportation:</u>					
Hazardous Materials Emergency Preparedness Training & Planning	20.703	MSP		HM-HMP-0558-16-01-00	1,000.00
State and Community Highway Safety	20.600	MSP	Highway Safety	PT-18-16	27,322.00
Alcohol Traffic Safety and Drunk Driving Prevention	20.601	MSP			84,430.21
National Priority Safety Programs	20.616	MSP	Youth Alcohol Enforcement	AL-17-15	17,189.00
Total Highway Safety Cluster					<u>128,941.21</u>
Total U.S. Department of Transportation					<u>129,941.21</u>
<u>U.S. Environmental Protection Agency:</u>					
Capitalization Grants for Drinking Water State Revolving Funds - A1	66.468	MDEQ	Drinking Water State Revolving	FS97548716	438.00
Capitalization Grants for Drinking Water State Revolving Funds - A2	66.468	MDEQ	Drinking Water State Revolving	FS97548716	4,339.00
Total Drinking Water State Revolving Cluster					<u>4,777.00</u>
Beach Monitoring and Notification Program Implementation Grants	66.472	MDEQ		GG18.2243	6,005.13
Total U.S. Environmental Protection Agency					<u>10,782.13</u>
<u>U.S. Department of Energy:</u>					
Weatherization Assistance for Low-Income Persons	81.042	MDHHS		DOE16-70025-3	176,614.27
Weatherization Assistance for Low-Income Persons	81.042	MDHHS		DOE16-70025-4	42,256.69
Total U.S. Department of Energy					<u>218,870.96</u>
<u>U.S. Department of Health and Human Services:</u>					
Public Health Emergency Preparedness	93.069	MDHHS		NU90TP921906	117,745.00
Preparedness and Public Health Emergency Prep	93.074	MDHHS		NU90TP921906	37,035.00
Food and Drug Administration Research	93.103	AFDO		GT1810-06994	3,000.00
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MDHHS		1U52PS00469301	13,015.00
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Direct			311,481.55
Family Planning Services	93.217	MDHHS		FPHPA006340	119,371.00
Family Planning Services	93.217	MDHHS		FPHPA006464	51,891.00
					<u>171,262.00</u>
Immunization Cooperative Agreements - Immunization Action Plan	93.268	MDHHS		NH23IP000752	139,040.00
Immunization Cooperative Agreements - Federal Vaccines	93.268	MDHHS		None Issued	332,051.96
Immunization Cooperative Agreements - Fixed Fees	93.268	MDHHS		NH23IP000752	7,050.00
					<u>478,141.96</u>
Child Support Enforcement - CRP Combined	93.563	MDHHS		CSCOM16-70001	2,733,576.74
Child Support Enforcement - FOC Incentives	93.563	MDHHS		CSCOM16-70001	416,218.00
					<u>3,149,794.74</u>

COUNTY OF OTTAWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Federal Agency/Cluster/Program Title	CFDA Number	Pass Through Agency	Cluster	Pass Through Number	Expenditures
Low-Income Home Energy Assistance	93.568	MDHSS		LIHEAP16-70025-2	99,619.25
Low-Income Home Energy Assistance	93.568	MCA		None Issued	<u>22,050.00</u>
					<u>121,669.25</u>
Community Service Block Grant	93.569	MDHHS		CSBG14-70025-6	310,906.67
Community Service Block Grant	93.569	MDHHS		CSBG14-70025-4	12,820.05
					<u>323,726.72</u>
Community Services Block Grant - Discretionary	93.570	MDHHS		CSBGD14-70025-6	<u>22,390.00</u>
Grants to States for Access and Visitation Programs	93.597	MSC		SCAO-2018-23	<u>140.00</u>
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds	93.758	MDHHS		NB010T009126	<u>43,962.00</u>
Medical Assistance Program	93.778	MDHHS	Medicaid	1905MI5ADM	88,838.00
Medical Assistance Program	93.778	MDHHS	Medicaid	1905MI5ADM	115,463.17
Medical Assistance Program	93.778	MDHHS	Medicaid	1905MI5MAP	403.16
Medical Assistance Program	93.778	MDHHS	Medicaid	1905MI5ADM	153,086.98
Medical Assistance Program	93.778	MDHHS	Medicaid	2017035-00	36,891.05
Medical Assistance Program	93.778	MDHHS	Medicaid	2017035-00	74,334.35
Medical Assistance Program	93.778	MDHHS	Medicaid		<u>33,538.62</u>
					<u>502,555.33</u>
Opiod STR	93.788	MDHHS			165,821.44
Opiod STR	93.788	MDHHS			<u>49,460.04</u>
					<u>215,281.48</u>
Block Grants for Community Mental Health Services	93.958	MDHHS		B1 MI CMHS (17)	41,877.34
Block Grants for Community Mental Health Services	93.958	MDHHS		B1 MI CMHS (17)	3,078.12
Block Grants for Community Mental Health Services	93.958	MDHHS		B1 MI CMHS (17)	85,417.49
Block Grants for Community Mental Health Services	93.958	MDHHS			84,399.04
Block Grants for Community Mental Health Services	93.958	MDHHS			98,829.36
Block Grants for Community Mental Health Services	93.958	MDHHS			<u>2,098.83</u>
					<u>315,700.18</u>
Block Grant for Prevention and Treatment of Substance Abuse	93.959	LRE		13 B1 MI SAPT	924,755.00
Block Grant for Prevention and Treatment of Substance Abuse	93.959	LRE		13 B1 MI SAPT	<u>80,000.00</u>
					<u>1,004,755.00</u>
Block Grant Preventive Health and Health Services	93.991	MDHHS		NB010T009214	15,000.00
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B0432550	69,629.19
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B0432550	41,739.00
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B0432550	26,000.00
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS			7,101.88
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC31495	<u>35,424.22</u>
					<u>179,894.29</u>
Total U.S. Department of Health and Human Services					<u><u>7,026,549.50</u></u>
Executive Office of the President:					
Passed through West Michigan Enforcement Team: High Intensity Trafficking Areas Program HIDTA	95.001	WEMET		G16SM0002A/G17SM0002A	19,591.81
Total Executive Office of the President					<u>19,591.81</u>
U.S. Department of Agriculture:					
Passed through Michigan Department of Education Emergency Food and Shelter National Board Program	97.024	MDE		456100-005	4,771.02
Total U.S. Department of Agriculture					<u>4,771.02</u>
U.S. Department of Homeland Security:					
Passed through the Michigan Department of Natural Resources Boating Safety Financial Assistance	97.012	DNR		MS17-036	<u>16,100.00</u>
Passed through Michigan Department of State Police: Emergency Management Performance Grant	97.042	MSP		EMC-2017-EP-00001-S01	<u>38,562.99</u>
Passed through West Michigan Shoreline Regional Development Commission, Region 6 HLSRGB: Homeland Security Grant Program	97.067	SRDC		EMW-2016-SS-00033	39,118.01
Homeland Security Grant Program	97.067	SRDC		EMW-2017-SS-00033	142,399.06
Homeland Security Grant Program	97.067	SRDC		EMW-2018-SS-00033	26,896.59
					<u>208,413.66</u>
Total U.S. Department of Homeland Security					<u><u>263,076.65</u></u>
Total Expenditures of Federal Awards					<u><u>\$ 9,359,681.26</u></u>

COUNTY OF OTTAWA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE PERIOD ENDED SEPTEMBER 30, 2019

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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

2. ACCOUNTING PERIOD

The County's fiscal year end is September 30.

3. INDIRECT COSTS

The County did not elect to use the 10% de minimis cost rate as covered in Uniform Guidance section 2 CFR 200.141 indirect costs.

4. ABBREVIATIONS

The abbreviations used on the schedule of expenditures of federal awards are as follows:

Pass Through Agency Name	Pass Through Agency Abbreviation
Direct Funding from Federal Agency	Direct
Michigan Department of Education	MDE
West Michigan Enforcement Team	WEMET
Michigan Department of Health and Human Services	MDHHS
Michigan Community Action	MCA
Lakeshore Regional Entity	LRE
Michigan Department of Environmental, Great Lakes, & Energy	MEGLE
Michigan Department of State Police	MSP
Department of Natural Resources	DNR
Shoreline Regional Development Commission	SRDC
Michigan Department of Natural Resources	MIDNR
Michigan Supreme Court	MSC
Association of Food and Drug Officials	AFDO

COUNTY OF OTTAWA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE PERIOD ENDED SEPTEMBER 30, 2019

5. SUBRECIPIENTS

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

Program Title	CFDA Number	Amount Provided to Subrecipients
State and Community Highway Safety	20.600	\$ 1,528
Homeland Security Grant Program	97.067	8,617
Total		\$ 10,145

6. COMMODITIES 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:

	CFDA #10.565 Commodities
Expenditures as reported	\$ 102,025
Less - inventory at beginning of year	(7,045)
Add - inventory at end of year	4,819
Commodities received per State of Michigan	\$ 99,799

7. 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:

	CFDA #93.268 Vaccines
Expenditures as reported	\$308,238
Less - inventory at beginning of year	(134,513)
Add - inventory at end of year	158,327
Vaccines received per State of Michigan	\$ 332,052

(Concluded)

OTTAWA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	<u> X </u> no
Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	<u> X </u> no
Significant deficiency(ies) identified?	_____ yes	<u> X </u> 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 the Uniform Guidance?	_____ yes	<u> X </u> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.959	Block Grant Substance Abuse
93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and B programs:	<u> \$750,000 </u>
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

2018-001
This finding was resolved